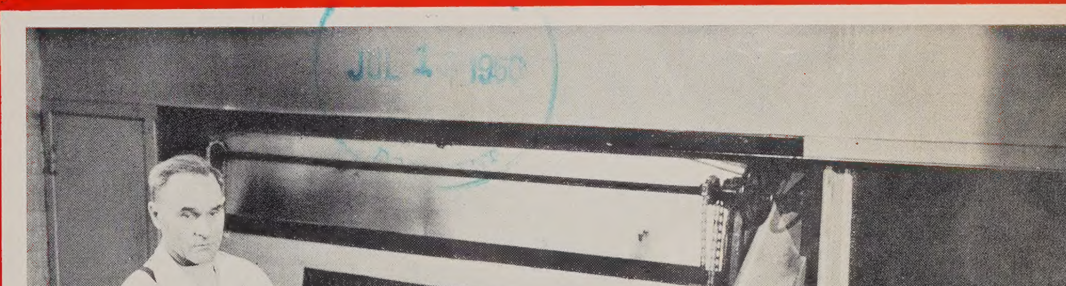
JULY 7, 1956

foreign trade

CANADA



THE U.S. MARKET FOR QUALITY FOODSTUFFS (page two)

ANADA

foreign trade

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cover Sweet biscuits, crisp and fresh, come from the ovens of a large Canadian bakery. Some of them may eventually appear on supermarket shelves south of the border, where Canadian biscuits are finding customers. Sales opportunities there for biscuits and also for jams and jellies, marmalade and confectionery are discussed in an article on page two.

—Photo by National Film Board.

The U.S. Market for Quality Foodstuffs

Demand for imported jams, jellies, marmalades, confectionery, and sweet biscuits is increasing in the United States. European producers hold largest share of this business, but some Canadian firms are competing successfully. Here is information on the size of this market and how to enter it.

E. H. MAGUIRE, *Commercial Secretary, Washington.*

THE STEADY INCREASE IN POPULATION in the United States, plus the rise in living standards, is resulting in increased sales of imported goods. A wide range of imported tinned and packaged foodstuffs —including jams, jellies and marmalades, confectionery and sweet biscuits—are sharing in this greater market.

Canadian producers of these products are well placed to take advantage of these sales opportunities because of their nearness to the market and because, in some cases, they have competitive advantages over domestic producers. For example, because of high price supports in the United States and higher duties on some raw materials, Canadian producers may pay less for many important raw materials than United States producers do. Moreover, in all these lines, the level of United States duties is reasonable. European producers now enjoy the major portion of the market for these imported foodstuffs, but there is reason to believe that Canadian laid-down costs are not far out of line with European laid-down costs, especially in inland cities where freight costs should favour Canada.

Emphasis on Quality

The fact that domestic foodstuffs manufacturers have in the past few years tended to cater to the mass market and to the mass taste has also spurred the sale of imported products. To obtain mass distribution, domestic producers have had to invest heavily in advertising and provide elaborate packages and containers, putting emphasis on eye appeal. However, there are still millions of shoppers who are primarily interested in the contents rather than in the package and who often turn to imported foodstuffs. The word "imported" on a label suggests to the discriminating shopper a quality product. It is probably true that it is a greater factor in impulse sales than an elaborate package or container is, particularly in the case of jams. Over the years European producers, particularly United Kingdom firms, have gained great prestige in this market through their ability to land quality products at fair prices. There is no reason why Canadian makers, especially those who put up high-quality products, cannot also build up a substantial trade provided they offer quality and merchandise the product aggressively. The following paragraphs are intended to give Canadian makers of jams, jellies and marmalade, confectionery, and sweet biscuits, some basic information on the U.S. market.

Many domestic preserves are highly adulterated and rather expensive. Attractive labels, and containers with

Automatically stacked biscuits move along the packing line in a Montreal plant, where dextrous fingers put them into boxes for domestic sale or for export to neighbouring markets.

a secondary use such as tumblers and stemware, are usually depended upon for sales appeal. Domestically produced pure bitter orange marmalade (admittedly not popular with Americans) is practically non-existent. Yet United Kingdom manufacturers enjoy a good trade in this: imports amounted to over 3¼ million pounds in 1954 and nearly 3 million for the first ten months of 1955, almost all of which came from the United Kingdom. Imports of jams and jellies totalled over 4½ million pounds in 1954 and nearly 4 million pounds in the first ten months of 1955. Canada and the United Kingdom shared the bulk of this business. The rise in imports of orange marmalade and the steadiness of imports of jams and jellies over the past five years is illustrated by the following statistics:

IMPORTS OF ORANGE MARMALADE

Year	*Total—lb.*	*Total—$*
1951	1,994,826	305,943
1952	2,282,990	366,147
1953	3,751,791	625,410
1954	3,341,549	544,077
1955 (ten months)	2,989,606	484,866

IMPORTS OF JAMS AND JELLIES

Year	*Total—lb.*	*Total—$*
1951	4,232,173	868,696
1952	3,538,456	739,972
1953	4,842,720	979,331
1954	4,664,783	973,383
1955 (ten months)	3,937,810	836,159

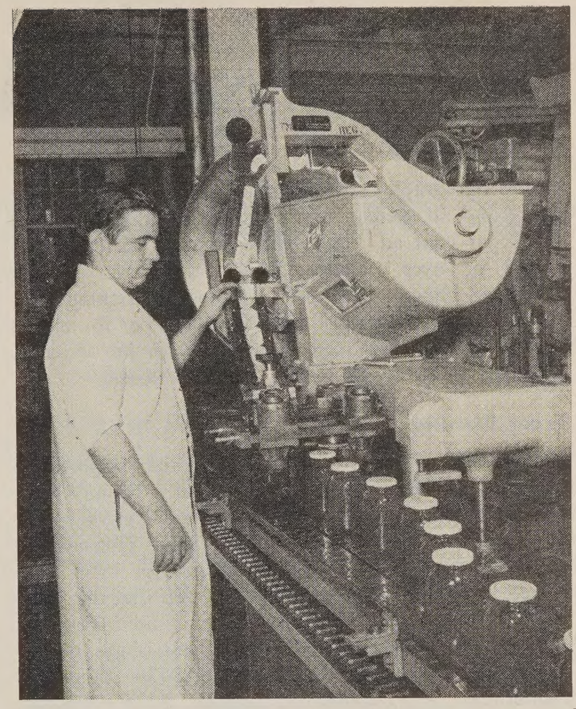
United States Customs duties on jams, jellies and marmalade are:

Currant and berry jams and jellies	9½ per cent ad valorem
Orange marmalade	15 per cent ad valorem
Other	19 per cent ad valorem

(Paragraph 751—Customs Tariff)

Candy and Chocolates

Imported candy and chocolates are becoming increasingly popular and are now seen on the candy counters of many drug stores and even in chain groceries in many regions. Prices of the imported brands are usually a good deal higher than those of domestic varieties, but good quality and attractive, distinctive packaging are the drawing cards. Imports of candy (including chocolate creams and other varieties of chocolate containing a substantial amount of ingredients other than chocolate) totalled 19·5 million pounds valued at $7·3 million in 1954, compared with only 13 million pounds valued at $4·6 million in 1951. Imports of candy for the first ten months of 1955, at 19·2 million pounds, almost equalled imports for the whole of 1954. The United Kingdom shipped $4·3 million of the $7·3 million total in 1954, with Italy, Austria, West Germany, Switzerland and Spain pro-



This machine, under the watchful eye of the operator, caps and seals jars of jam. The U.S. market last year absorbed over four million pounds of imported jams and jellies; Canada and the United Kingdom shared the bulk of this business.

viding most of the remainder. These imports include candy in bulk for packaging in this country.

In 1954, just over three million pounds of sweetened chocolate, (chiefly plain or milk chocolate in bars) were shipped to this country and were valued at over $2 million. Netherlands shipments represented about half of the value and the remainder was divided between the United Kingdom, Denmark, West Germany, Switzerland and Yugoslavia. In 1951, imports reached only 1·7 million pounds valued at $980 thousand. The peak year for chocolate was 1953, when nearly four million pounds were imported. Returns for the first ten months of 1955 (3·4 million pounds valued at $2 million) indicate that imports for the whole of 1955 will equal or surpass those of 1953.

Quantities and values of candies and chocolate imported in each of the years 1951-1954 and for the first ten months of 1955 were as follows:

CANDIES IMPORTED

Year	*Total—lb.*	*Total—$*
1951	13,065,407	4,627,455
1952	15,030,399	5,364,392
1953	17,638,735	6,435,319
1954	19,536,736	7,310,391
1955 (ten months)	19,250,528	6,558,301

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CHOCOLATE (SWEETENED) IMPORTED

Year	Total—lb.	Total—$
1951	1,776,304	980,648
1952	2,354,651	1,252,481
1953	3,957,671	2,354,895
1954	3,070,491	2,026,905
1955 (ten months)	3,399,026	2,080,533

Under Paragraph 506 of the Customs Tariff, sugar candy and all confectionery n.s.p.f. is subject to duty of 14 per cent ad valorem if valued at six cents per pound or over. Under Tariff Paragraph 777(*b*) sweetened chocolate, in bars or blocks weighing over 10 lb. each, pays a duty of $\frac{9}{10}$ of a cent per lb. and in any other form, if valued at 10 cents per lb. or more, is subject to a duty of 10 per cent ad valorem.

Sweet Biscuits

United States trade returns show that imports of sweetened bakery products, principally biscuits, are steadily increasing. In 1954, imports were valued at $1·5 million compared with only $877 thousand in 1951. Imports for the first ten months of 1955 were valued at $1·6 million and it is expected that the value of 1956 imports will be even greater. United Kingdom exporters traditionally hold the largest share of the market (1954: United Kingdom, $534 thousand; Netherlands, $221 thousand; Belgium, $225 thousand; Canada, $118 thousand) but, according to testimony which domestic bakers gave before the Committee for Reciprocity Information last January, Canadian firms are making inroads into the expanding market. It appears that Canadian bakeries can compete not only in the better quality lines, up to now more or less monopolized by United Kingdom and European brands, but also in the lines suitable for mass distribution. When statistics are released for the whole of 1955, it is expected that they will show a sharp rise over 1954 in imports from Canada and probably 1956 figures will go up even further.

Imports of wafers, cakes and baked articles (not including unsweetened biscuits) for each of the years 1951-1954 and the first ten months of 1955 were:

Year	Total—$
1951	877,571
1952	1,135,934
1953	1,378,290
1954	1,564,091
1955 (ten months)	1,602,314

Under Paragraph 733 of the Customs Tariff, biscuits, cakes and wafers, and similar baked articles, whether or not they contain chocolate, fruit, nuts or confectionery, are subject to a duty of 9½ per cent ad valorem.

Distribution Methods

Canadian firms who wish to enter the United States market or who want wider distribution would be well advised to enlist the aid of food brokerage firms located in the desired areas. Most reliable food brokerage firms are members of the National Food Brokers Association (NFBA), with headquarters in Washington, D.C. The Association requires members to maintain a certain standard of ethics and to act only on behalf of the seller. The association publishes a directory of members (there are over 1,800 at present) and copies may be obtained free of charge by writing to the Association, Munsey Building, 1329 "E" Street, N.W., Washington, D.C. The directory lists firms according to geographic locations and indicates the types of products which each handles.

Trade Commissioners stationed in the United States can assist Canadian firms to make initial contact with brokers. It would be helpful to send the Trade Commissioners samples of the product, plus full information on price. However, once the initial contact is made and the broker feels that the product has possibilities, it is then essential for the Canadian firm to visit him and discuss marketing details. The broker then feels that he has the co-operation and backing of the principal for the promotion effort usually necessary to introduce a new product or brand successfully.

The Association stresses this point by stating in its directory that: "The most satisfactory method of selecting food brokers, after selecting a preliminary list from the directory, is through personal visit and discussion." Good brokers, in fact, are very discriminating about the products they will undertake to handle and, in consequence, they must first be sold on the value of a product. The main reason is that the shelves of most retail outlets are crowded to the saturation point; this is particularly true of chain stores. (In the Washington area, 85 per cent of grocery sales are made through chain stores.) A broker must use all his ingenuity to persuade a retailer to make room for a new line and must convince him that the product will move. Canadian principals must therefore work in close co-operation with brokers, must follow suggestions on labelling, etc., and be prepared to put up funds for promotion if necessary. In other words, to gain entry into this market, a Canadian firm must pay just as much attention to distribution problems in the U.S. as it would in Canada.

The NFBA holds an annual convention alternating between Atlantic City and Chicago. These conventions provide opportunities for principals to maintain contacts with brokers or to seek out new ones. At the conventions, principals often display their products in hotel rooms for the benefit of brokers. The NFBA has no objection to Canadian principals taking part and will allot suitable accommodation to those who apply. The next NFBA convention is scheduled for early next year in Chicago. Over 1,400 brokers and nearly 650 principals attended the last convention. ●

Marine Insurance

its place in the export sale

To the novice in export, marine insurance seems complex and the terms used baffling. In this article, ninth in our series on the techniques of export, a veteran in this field answers many of the questions which exporters ask about transfer of title, coverage, types of policy, etc.—and also explains some of the more common terms.

R. S. HENDERSON, *M.I. Ex.*,
R. S. Henderson & Company, Ltd.

MARINE INSURANCE IS ESSENTIAL to the financing of export sales and every care must be exercised in the preparation of the policy. The terms or insuring conditions, amount, etc., are governed by the sales contract, letter of credit, or custom.

The seventh article in this series (May 26, 1956) dealt with terms of sale, particularly Cost Insurance and Freight (named port of discharge). An exporter's C.I.F. quotation to his customer should stipulate the terms of the marine insurance which he will furnish. This is necessary so that, in the first place, there will be no misunderstanding between the seller and his customer; second, to give the exporter the protection he needs until risk and title pass to the buyer, and third, to give the buyer an opportunity to order broader terms at his expense if he or his banker consider this necessary.

The International Chamber of Commerce in 1953 published *Incoterms,* or "International Rules for the Interpretation of Trade Terms", which, if they are incorporated in a sales contract, call for a very restricted form of insurance, leaving the buyer with the responsibility of asking and paying for broader terms. This is perfectly sound but it does not satisfy this writer because the suggested terms (F.P.A., or Free of Particular Average) are too restrictive. It is suitable to insure certain commodities on a limited form but practically all forms of manufactured goods require broad or so-called "all risks" terms, if these are available.

Who Is "at Risk"?

Under a *true* C.I.F. (port of destination) sale, the exporter is at risk until the goods are placed aboard the vessel at port of lading, after which the buyer is at risk although title may not necessarily have passed to him. The policy the exporter furnishes protects him in accordance with its terms while he is at risk, and thereafter it protects the buyer.

It is important to know and remember that although a marine insurance policy is assignable without permission of the underwriter, it can only be assigned while the assured (exporter) has an interest in the subject matter insured, unless beforehand he has expressly or by implication agreed to assign it. It is not unusual to find an exporter who has sold on open account holding the insurance policy until his invoice has been paid, in the belief that if the goods are damaged, he has some protection for the debt owing him. To do so on a C.I.F. sale probably has the effect of making the exporter responsible for delivery, thus destroying the character of the C.I.F. contract. At the worst, when the sale is made under a letter of credit there is an incomplete tender of documents and payment may and can be refused.

The exporter should endorse the policy at the time and in the same manner as he does the document of title (bill of lading). Insurable interest and title in the goods will pass to the buyer simultaneously.

Calculating the Premium

To the manufacturer or merchant in the export field the procuring of marine insurance is no mystery, although its terms may be. The insurance premium will depend on many factors—the commodity, its packing, the class of steamer carrying it to port of discharge, the final destination and, of course, the terms or conditions of the policy.

Preferably, the exporter should consult a broker or agent who is thoroughly competent. Marine insurance rates are not regulated by so-called Tariff Associations

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or Conferences, but the experienced intermediary will select a suitable company and secure a fair rate. With an increasing volume of exports and a favourable loss experience, the exporter will find that rates will be reduced and his costs will be less. Marine underwriters are as anxious as the exporter is to see that merchandise is delivered in sound condition, because this benefits everyone. The exporter's cost is lower, the underwriter makes a small profit, and the buyer is content. To this end the packing employed can be one of the most important factors and some insurance companies maintain a staff of experts in this field to help with the problem.

What to Insure Against

Turning now to the question of what perils should be insured against, we must first examine the sales contract. In making his quotation (C.I.F. port of discharge) the exporter will or should specify the terms of coverage he will furnish for the price asked. Next, he must look for variations of these terms in the acceptance or letter of credit if there is one. Should an extension of terms be required, any extra cost is for account of the buyer. It is essential that the policy provided state in the same words what is called for in the letter of credit. With this in mind, as soon as the exporter receives advice of the opening of the credit, he should consult his broker or agent and determine whether a policy can be written in the terms required. Quite often the foreign buyer or his banker use expressions which are meaningless and it is vital to the seller's economic well-being that amendments be made before the credit expires. Too often the exporter leaves consideration of the marine insurance until the day before the documents must be presented to the bank. Should a million dollar sale be jeopardized through a fall in the market price, he may wish he had paid attention to detail.

The "Open Policy"

For the regular exporter, the open policy is the usual and most satisfactory contract between him and his underwriter. It is a contract under which the exporter agrees to declare every shipment sold on C.I.F. terms and those which the buyers have instructed him to insure. The underwriter in turn agrees to accept all such declarations and to issue a policy or certificate for each as the assured requires.

The open policy contains all the conditions of the insurance, including a valuation clause setting out the formula to be followed in arriving at the amount to be written. Often the goods are on the way to seaboard or actually aboard the ship before all the charges are known for the calculation of the insured value. If a loss occurs before the individual policy is issued, the liability of the underwriter is defined.

Because marine insurance as we know it had its greatest development in England, beginning early in the 14th century, the standard form of English marine policy is employed as the basic contract. There has been little variation for 200 years and although the wording may appear archaic, the meaning has been defined by the Courts and codified by statute. The following provinces of Canada have passed Marine Insurance Acts identical with the Marine Insurance Act 1906 Great Britain—first, British Columbia in 1926, followed by Nova Scotia 1941, New Brunswick 1943, Manitoba 1945 and Ontario in 1946.

In Quebec, provisions respecting marine insurance are contained in the Civil Code, Articles 2470, 2479, 2482, and 2492-2567. These are special conditions in the Civil Code which are similar to English law. Any differences are not substantial. In general, in the absence of Quebec statutory authority, one must fall back on English Common Law.

The basic form is amended by clauses or endorsements which alter its scope according to the needs of the assured. First in importance is the "Free of Capture and Seizure" clause which "takes out" the risks of war. These are put back in and defined by special wordings, to which can be added cover against the risks of "Strikes, Riots & Civil Commotions and damage caused by persons acting maliciously".

Each commodity has its special need for cover: liquids in bulk—leakage and contamination; machinery, stoves and refrigerators—breakage; flour to the West Indies where lighterage is necessary and tropical rains are sudden—fresh water damage; canned goods out of East Coast ports via the Panama Canal to West Coast ports or vice versa—ship's sweat. All these are additional to the cover provided by the basic marine policy. Each open policy must be prepared according to the needs of the exporter.

Terms Explained

It is difficult to discuss marine insurance without bringing technicalities into it; neverthless, there are many inflexible rules. Some explanation of the terms Particular Average, General Average, and Sue & Labour Expenses may help the exporter to understand his policy a little better.

The purpose of the marine policy is to indemnify the assured for loss or damage caused by perils insured against. The manner in which the indemnity is fixed is set out in the Marine Insurance Act 1946 Ontario. Briefly, the assured is entitled to the same proportion of the sum insured as the goods are found to have depreciated. The depreciation is determined (in the absence of mutual agreement) by comparison of the gross sound and damaged duty-paid values at the place of arrival.

A Particular Average loss is a partial loss of the subject matter insured, caused by a peril insured against, and which is not a General Average loss. The following examples of the adjustment of Particular Average losses will illustrate the principle and demonstrate the effect of rising and falling markets.

Particular Average Demonstrated

An exporter sells 100 bags of flour C.I.F. Liverpool for $500 and furnishes a policy for $550. Upon arrival the flour is found to have been damaged by perils insured against, and cannot be used for the purpose for which it was bought. It is sold at public auction, with all charges payable by the seller, for $400 gross.

Upon arrival, the gross wholesale price of flour was $10 per bag. Therefore the value of 100 bags in sound condition was $1,000. In damaged condition it sold for $400 and the buyer lost $600 or 60 per cent of its value. The policy pays 60 per cent of the insured value or $330, so the buyer receives $400 from the sale and $330 from his underwriter, or $730 against a C.I.F. price of $500. That looks like a good profit, but it must be remembered the buyer would have made a profit of $500 had the flour arrived sound.

But suppose that, upon arrival, the sound market value (duty paid) has dropped to $4.00 per bag and because of damage the flour sold for $2.40 per bag. This shipment has been damaged to exactly the same extent as the one above, 60 per cent. The assured recovers 60 per cent of the insured value or $330 and adding the proceeds of sale, $240, his total is $570. Had the flour arrived in sound condition he would have sold it for $400 for a loss of $100.

The adjustment of both claims was governed by the same principle—the policy pays the same percentage of the sum insured as the goods are found to have depreciated, without any consideration being given to market fluctuations. Before the days of controlled commodity prices it was not unusual to find flour or tea selling in damaged condition at destination for more than its purchase price at time of shipment.

It is not proper for the underwriter to settle for the difference between the insured value and the net proceeds of sale, although many consignees present their claims in this manner. An adjustment such as this is called a "Salvage Loss" and is only permissible when the goods are damaged and have to be sold before arrival at destination.

General Average Explained

A General Average act occurs where "any extraordinary sacrifice or expenditure is voluntarily and reasonably made or incurred in time of peril for the purpose of preserving the property imperilled in the common adventure" and a General Average loss is one caused by or directly consequent upon a General Average act.

A ship laden with cargo is on her voyage when fire breaks out in cargo, say in No. 2 hold. Steam and/or water is introduced into that hold and this saves the ship and the remaining cargo, but destroys or damages the cargo in No. 2 hold. The cargo unaffected by fire and smoke but damaged or destroyed by steam and/or water is sacrificed to preserve the ship and cargo imperilled in the common adventure. The owners of the cargo sacrificed are thus entitled to claim their loss from those who benefited. For this reason, the party at risk when the cargo is safely landed (the buyer under a C.I.F. contract) is required to put up cash or an underwriter's guarantee to secure payment of the proper proportion of the cost of the sacrifice.

In the foregoing example there are several kinds of losses. The cargo damaged or destroyed by water gives rise to a claim for a General Average loss—that is, one caused by or directly consequent upon a General Average act. The damage from fire and smoke is Particular Average or a Total Loss directly caused by perils insured against. Undamaged cargo must pay its rateable proportion of G.A. contribution to reimburse the owners of cargo sacrificed, and the latter must also pay G.A. contribution on the amount made good by the contributions of others.

The value on which cargo will be assessed is called its Contributory Value. In order that all shall contribute uniformly, this value is usually the wholesale market value at port of safe arrival and discharge, less duty and landing charges—that is, its worth in the condition landed, less all charges which would not have been incurred if the ship had failed to arrive. As the policy will pay G.A. contribution in full if the insured value equals or exceeds the contributory, it is essential that the goods be insured for more than their C.I.F. cost. In the absence of any special instructions from his buyers the exporter should add 10 per cent.

Sue & Labour Expenses

It is the duty of the assured (or the assignee) to take all reasonable steps to preserve the property from loss or damage which would be recoverable under the policy. A peril insured against must first be in operation, not just a fear that a peril will perhaps operate. Such expenses are paid in full even though the steps taken failed to prevent a total loss. In short, the assured should act as a prudent uninsured person would.

Take the example of the merchant who receives a shipment of tinned goods which has been wet by sea water. If he is prudent, he will immediately unpack the tins

and dry and buff them, otherwise the pitting and rusting will soon destroy them all. The cost of this and of relabelling are Sue & Labour expenses which are recoverable in full. But suppose such action, reasonable and prudent as it seemed at the time, failed to save the tins and all or most became a total loss. The expense is nevertheless recoverable as well as the loss of or damage to the interest insured. What is prudent and reasonable can be determined by agreement with the underwriter's representative before the work is undertaken. If no representative is available, the assured is not excused from taking appropriate action immediately. As the Sue & Labour clause says: "It shall be lawful (i.e., a legal duty) to the Assured, their Factors, Servants and Assigns, to sue, labour, and travel for, in and about the Defence, Safeguard and Recovery of the said subject matter of Assurance without Prejudice to this Assurance—". It may sound archaic but its meaning is clearly defined.

Delay in Transit

The coverage afforded upon an open policy attaches from the time goods leave the warehouse at point of origin and continues in due course of transit until the goods are delivered into final warehouse.

The marine extension clauses which replace the warehouse-to-warehouse clause provide for continuity of coverage, if there is no interruption or suspension of the ordinary course of transit within the control of the assured. Thus, if either shipper or buyer elects to interfere with the ordinary transit by, say, delaying the shipment by holding it for the next vessel, the due course of transit has been interrupted and insurance terminates immediately. It is a simple matter to arrange for the continuance of insurance if the underwriter is given prior notice and an additional premium, if required, is agreed upon.

Should the shipment be delayed in transit for reasons beyond the control of shipper or buyer, insurance does not terminate.

The main exception to these general provisions of the marine extension clauses concerns shipments to South America. After discharge from the overseas vessel at a South American port, insurance continues for sixty days (or ninety days if via the Magdalena River) or until delivered into warehouse at final destination, whichever shall first occur. As distinct from shipments to other destinations, insurance after discharge from the overseas vessel is not terminated when the ordinary course of transit is interrupted for reasons within the control of the assured.

War, Strikes

The risks of war and strikes, as mentioned before, are insured by special wording added to the policy. Each is covered by a separate set of clauses.

The coverage afforded under the war clauses does not attach before loading on board the overseas vessel and terminates upon discharge from the overseas vessel at final port. When cargo is not discharged immediately, it terminates after the expiry of 15 days from the date of arrival of the overseas vessel at final port. The lack of coverage on land is of particular importance to those buying goods abroad. Whenever possible, they should leave this uninsurable risk with the seller by purchasing "F.O.B. vessel" or "C. & F. port of destination" rather than "ex works".

Space does not permit a discussion of the provisions pertaining to transhipment, forced discharge or other conditions of these clauses, or of the special clauses used for "Sendings by Air" and "Sendings by Post". Any broker or agent can give details.

The strike clauses cover theft or pilferage by, or other loss of or damage to, the property insured caused by strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions. In addition, they cover destruction of or damage to the property insured by persons acting maliciously.

These are primarily "on land" risks and the clauses cover from warehouse to warehouse.

Cargo owners who are aware of the continuous strikes etc., hazard normally insure against those risks as they do against war risks. It is not recommended that war risks insurance be excluded in view of the need for cover should there be an outbreak of war with little or no warning. And the additional premium is a very small one.

Claims Procedure

Though under the C.I.F. contract of sale it is the buyer's responsibility to make claim against underwriters or stand any losses not recoverable, it is desirable to know the procedure to be followed. The policy will instruct the holder to notify the appointed representative of the insurance company for survey of the damaged goods or, if there is no representative, to call in Lloyd's agent or surveyor to the Board of Underwriters of New York. The request for survey must be prompt. The delivering carrier must be notified and a claim lodged within the time limit set in the bill of lading, in order to preserve for underwriters their rights under subrogation. The following documents make up the full complement.

(1) Survey report

(2) Shipper's invoice

(3) Copy of bill of lading

(4) Original or negotiable copy of policy properly endorsed.

(5) Copy of claim against carriers and the latter's reply.

The broker or agent should prepare the claim according to the law and practice governing the adjustment of marine claims and effect collection for the exporter or his customer.

Contingency Insurance

Certain countries prohibit C.I.F. buying, thus compelling the Canadian exporter to sell C. & F. port of destination, or else to keep title and risk until delivery has been made to the final warehouse. The writer believes that most Canadians adopt the C. & F. type of sale after first securing themselves against loss by means of the irrevocable letter of credit. If the terms of payment are documents on acceptance or documents on payment or open credit, it is advisable to insure the goods. Such insurance is for account of the exporter only and only pays for loss or damage from perils insured against if the buyer has refused to pay his account. Upon any such payment the underwriter is subrogated to the exporter's rights to recover from the buyer to the extent of the amount paid out under the policy. This can be particularly valuable to the exporter whose customer has refused payment because the goods were lost or arrived badly damaged. ●

fairs and exhibitions

Electronics—Theories and Uses

OVER NINETY LEADING CANADIAN MANUFACTURERS of electronic equipment have already booked space in the exposition which will form part of the 1956 IRE Convention, October 1, 2 and 3. The Institute of Radio Engineers in Canada is celebrating its 30th anniversary this year and plans to make its convention-exposition an outstanding event. American and overseas manufacturers will join Canadian exhibitors in the Automotive Building, Exhibition Park, Toronto, to show the latest in radio, radar, television, control mechanisms, computers, and a host of related products, including transistors. Peacetime applications of atomic energy will also be illustrated.

Technical papers by leading experts to be read at the convention—some 40 have already been received—cover such subjects as medical electronics (for diagnosis and treatment), scatter propagation, the application of electronics to atomic energy projects, the use of computers in automation and engineering problems, and several papers dealing with transistors. The Weizmann Institute of Science, Rehevoth, Israel, has contributed a paper on magneto-resistive amplifiers.

For more information about the IRE Convention-Exposition, write to: Canadian I.R.E. Convention, 745 Mount Pleasant Road, Toronto.

Canadian Exhibits at Foreign Fairs

HANNOVER INDUSTRIES FAIR

For the first time, the Hannover Industries Fair this year accepted a foreign exhibitor in its large and well-designed chemical building—and the exhibitor was Canada. Our display, located on the main floor of the building, included the products of eleven Canadian chemical manufacturers—both basic raw materials and consumer products.

A heavy building program is under way in West Germany and business visitors to our stand were specially interested in products for home construction, such as vinyl asbestos floor tile; synthetic rubber floor tile; polyester fiberglas reinforced plastics, processed with propylene glycol to impart a lustrous shiny finish; high-impact polystyrene exhibited in the form of German-made refrigerator door liners and "Stenorette" dictating machines; polyvinyl chloride flame-resistant plastic film, and fabric-backed and heavier grades of upholstery sheeting suitable for many home furnishings. Vinyl plastic base garden hose with a reinforced embedded mesh and carrying a ten-year guarantee also attracted a great deal of attention, as did phenolic laminates for various uses and coloured plastic film and sheeting. The polysar synthetic rubber on display

Part of the wide-ranging display of Canadian chemicals at the Hannover Industries Fair in the late spring. Both raw materials for various types of plastics and products made from them were featured; eleven Canadian companies participated.

was well known to the German buyers whose main concern was to obtain additional supplies from Canada. Many questions were asked about the manufacture from materials on display of plastic raincoats, toys, etc.

Attendants on the Canadian stand received 48 serious business inquiries from 26 countries, including some from Iron Curtain countries and many from Western Europe, Scandinavia, the Middle East and South America. These inquiries have been reported to the Canadian manufacturer and to the Canadian Trade Commissioners in the countries concerned. German trade inquiries totalled about 112, and these were turned over to the recognized German agent of the Canadian firm or to the firm itself.

Canada, with 12 other countries, also operated an information booth in the "International Export Boerse", with a bilingual staff to answer trade inquiries and provide services for visiting representatives of Canadian firms.

The Hannover Industries Fair is comparatively young—it has been in operation only since the end of World War II—but it has become one of the most successful and important in Europe. This year it provided 3,024,000 square feet of indoor exhibit space and 1,296,000 outdoors. Of the 3,946 exhibitors (the management permits only manufacturers to show), 385 were foreign. Capital goods and basic materials made up 62·5 per cent of the total; the remainder covered consumer goods. About 1·5 million visitors saw the Fair during its ten-day run and a good proportion were bona-fide buyers and business people. High admission prices tended to discourage sightseers.

—S. G. BARKLEY,
Commercial Secretary, Bonn.

BRUSSELS INTERNATIONAL TRADE FAIR

Canadian food products, displayed in gay surroundings of striped awnings and aluminum poles, were a star attraction in the Hall of Nations at the Brussels International Trade Fair this spring. Visitors to the Fair, which included the general public, showed tremendous interest in Canadian cheddar cheese, known in Belgium as "Chester". About 13,000 samples of the cheese were given out and 68 per cent of the tasters said they had never eaten it before. There is considerable confusion in Belgium about the difference between Canadian and American cheddar and it would very worthwhile for Canadian cheese producers to exhibit at the Autumn Brussels Food Fair.

The fact that the Brussels Fair is open to the public at all times was particularly useful for Canada as an exhibitor of consumer goods. Attendants on the Canadian stand received several inquiries from consumers for products not on the shelves of their local stores. These inquiries, complete with the name and address of the consumer and his retail outlet, were passed to the representatives of the Canadian manu-

The pleased expressions on the faces of these visitors to the Canadian stand at the Brussels Fair testify to the quality of the Canadian cheddar cheese which they have just sampled.

acturers. Other inquiries ranged from requests for he agency for a Canadian whisky not yet on the Belgian market, to that of an elderly lady who had heard so much about maple sugar but had never been able to buy any.

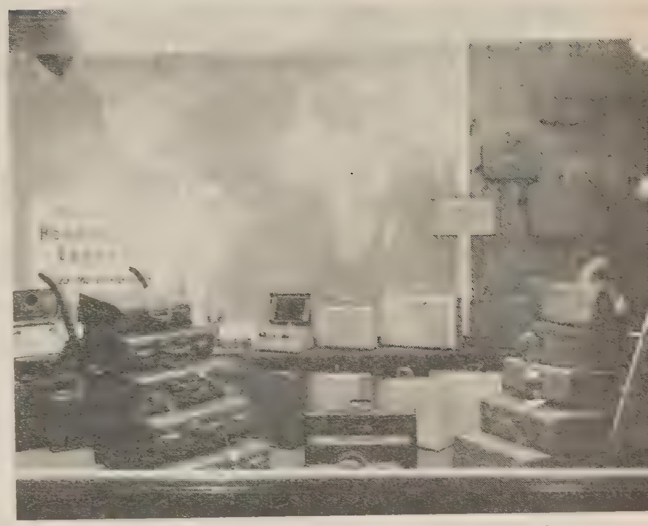
—K. G. RAMSAY,
Assistant Commercial Secretary, Brussels.

MILAN INTERNATIONAL TRADE FAIR

Atoms for peace were featured in Canada's exhibit at the Milan International Trade Fair held in April, with the spotlight on the Theratron Junior. This latest beam therapy unit for cancer treatment uses Cobalt 60 and is produced by Atomic Energy of Canada Limited. In addition to atomic energy, the display illustrated with maps, photographs and other devices Canadian achievement and progress in agriculture, forestry, fisheries, mining, industry, transportation, communications and power.

This year, the Milan International Trade Fair (in its 34th year) attracted nearly four and a half million visitors and the interest shown in the Canadian stand was much greater than in any of the previous eight years in which Canada has exhibited at this Fair.

—S. G. MACDONALD,
Commercial Counsellor, Rome.



One section of the luggage exhibit which opened on June 6 at the Canadian Showroom in Rockefeller Centre, New York. The display, which covers billfolds, briefcases and handbags as well as travel sets, will be on view until July 6.

Fair Calendar

Danish Radio and Television Exhibition, August 31-September 9, 1956, Copenhagen. For information: Danish Radio and Television Exhibition, % Radio Manufacturers' Association, 4 Amaliegade, Copenhagen K.

6th International Exhibition of Cotton and Rayon Textiles, September 22-October 7, 1956, Busto Arsizio. For information: Commercial Attaché, Embassy of Italy, 136 Queen Street, Ottawa.

3rd Annual Stationery Trade Fair, February 4-8, 1957, Brighton. For information: General Secretary, The Stationers' Association of Great Britain and Ireland, 6 Wimpole Street, London, W.1.

World Trade Fair in New York

PLANS for a United States World Trade Fair in 1957 have been made and the city's new Coliseum booked for April 14-27. Exhibits will be classified in nine groups: (1) National pavilions, institutional, information, etc.; (2) Textiles, furs, upholstery fabrics, footwear; (3) Furniture, home furnishings; (4) China, glassware, ceramics, leather goods, cosmetics, jewellery, works of art, etc.; (5) Hardware, electrical appliances, sports equipment, toys, musical instruments; (6) Foodstuffs, beverages; (7) Office equipment, stationery, printing materials, books; (8) Building materials, electronic equipment, scientific instruments, precision tools, etc.; (9) Basic materials—steel, aluminum, copper, brass, plastics, chemicals, rubber, petroleum products, etc.

For information about exhibiting at or visiting this fair, write to: United States World Trade Fair, Suite 1103, 331 Madison Avenue, New York 17, New York.

Trade Fair in the East

ONE of the most important events of its kind in the Near or Middle East, the Izmir International Fair is being held this year from August 20 to September 20 inclusive. Last year the fair welcomed 1,739,919 visitors, and 15 foreign countries set up national pavilions.

This year, the Turkish Government will grant special fair import quotas permitting the import and sale of exhibits. Because of foreign exchange difficulties it is expected that the import of other than essential goods will not be considered, although some quotas may be granted for a few items of lesser importance. However, quantities and values of goods brought in to the Fair for display and subsequent re-export will not be restricted.

For information, write to the Commercial Counsellor, Turkish Embassy, 197 Wurtemberg Street, Ottawa. ●

The Chicago Market for Plywoods and Veneers

Demand for Canadian plywood and veneers in territory served by Chicago office continues strong. Here is information on what the market wants and how best to serve it.

W. G. D'ARCY, *Vice Consul*
and Assistant Trade Commissioner, Chicago.

MANY INDUSTRIES in the United States are always anxious to obtain Canadian birch plywood. Its attractive grain, stability, strength, excellent finishing qualities and medium price make it ideally suited to hundreds of uses. It is not surprising that in 1954 the United States bought over $9 million worth of Canadian hardwood plywood, practically all birch. In the first eleven months of 1955, nearly $11·5 million worth was shipped from Canada and $8·75 million worth of hardwood veneers was shipped during the same period. In fact in 1955 the United States used 260 million square feet of birch-faced, veneer-core hardwood plywood and well over a third of this was Canadian.

The postwar trend toward flat surfaces in furniture and building has been a major factor in the growth of the plywood market. Today about 40 per cent of Canadian plywood goes into flush doors and birch door skins are in very short supply.

Trailer Builders Demand Birch

The trailer industry in the area covered by this office is largely centered around Elkhart and South Bend, Indiana, and is one of the largest single users of birch plywood. Trailer builders want an attractive, reasonably priced panel which requires little labor to install and finish. Many builders use two or three cars of birch plywood a week and a few take much more. With trailer living becoming more popular in the United States, Northern Indiana will probably become an even more important user of Canadian plywoods.

Although the average trailer manufacturer can buy in carload lots, few order direct from the mills; most prefer to buy mixed cars from the large plywood distributors or jobbers in Chicago and Detroit. In Chicago, three or four wholesale plywood firms have specialized in serving the trailer industry, extending credit often for sixty days and sometimes for as long as 120 days. These firms can give the builder exactly the pieces he wants when he wants them, sparing him the trouble of ordering far in advance and storing. A Canadian mill is too far away to satisfy the delivery and credit demands of the trailer builder but it can sell the growing trailer market through a jobber or distributor.

Favourite Cabinet Material

Birch plywood is also a favourite material in the cabinet-making industry, and cabinet shops are scattered throughout the Midwest, with some concentration in Iowa and Wisconsin. Many of these manufacturers buy from distributors or jobbers in Chicago and elsewhere, but some have direct connections with small plywood mills in upper Wisconsin and Michigan. As with the larger boat manufacturers, orders from the small mills are for carload lots, paid for upon receipt of goods.

The furniture industry, a large end-user of hardwood plywood, is concentrated in three or four major areas. Grand Rapids, Michigan, concentrates on making quality wooden furniture and is able to draw on nearby woods, including Canadian. Southern Indiana, North Carolina, and Kentucky have many furniture plants which benefit from lower wage costs. The woods which formerly supplied this branch of the industry have largely been depleted and materials must be brought in. North and South Carolina still have access to plentiful stands of gums and other woods which support a very large furniture industry. This branch of the industry makes a good deal of lower-priced furniture.

Use of Canadian Veneers Increases

Large furniture manufacturers "lay up" their own panels, and some cut their own veneers. It is estimated that one-third of all hardwood plywood made in the United States does not reach the open market but goes directly to manufacturers*. Other furniture plants buy from small plywood mills which specialize in cut-to-size furniture panels for delivery in small lots and

* Captive production used by themselves in production of furniture.

on relatively short notice. These mills are able to supply matched panels as well.

With its attractive modern appearance, birch furniture stimulates a good demand for veneers. To cater to this trade, the Canadian exporter should be willing to deliver material cut to the manufacturer's requirements. This is especially important in competing with the small, specialized American plants.

Because hardwood plywoods and veneers have been in short supply for some time, manufacturers have little trouble moving their production, and many have their output committed months in advance. In the United States, some wood products suppliers have become apprehensive over predictions of a 5 to 10 per cent drop in residential building, and softwood plywood manufacturers are already feeling the pinch. Fewer new homes and a softer furniture market will no doubt affect the birch plywood manufacturer in time but the effect should not be serious. House trailer manufacturers expect their business to expand and families who are not able to afford new dwellings will turn their attention to renovating. For this, birch is an ideal material.

Competes with Other Materials

Of more concern than predictions of mild recession or fewer building starts is the increased competition. In the first eleven months of 1955, 687 million square feet of Japanese lauan plywood entered the Midwest market, at prices far below those bid for birch. Although this material is harder to finish than birch and has some other disadvantages, it is a strong competitor with all other hardwood plywoods, particularly for use in flush doors. Hardboard also is becoming increasingly popular with cabinet manufacturers and is entering the flush door and furniture industries.

Another competitive material making progress is fir plywood faced with birch. Although this creates a demand for Canadian birch-face veneer, it competes to a considerable extent with hardwood plywood in the heavier thicknesses. It is adequate for many uses and its quality is improving steadily.

Conditions today are favourable for Canadian manufacturers but careful attention to their U.S. markets is even more necessary if our present position is to be maintained or strengthened. Good quality, delivery on schedule, and good grades are expected and are very important. Exporting firms with well established representatives or agents in the U.S. are in a much better position should demand fall off. If the market softens, a manufacturer's representative can expect support from customers who have been regularly visited and with whom aggressive merchandising policies have been practised. Exporters with good agents get an accurate estimate of the market from them and are not at the mercy of buyers. ●

Yemen Opens Its Doors

THE YEMEN, with its population of approximately five million, has recently emerged as a potentially rich but unexploited country. It lies at the southern tip of the Arabian peninsula and is bounded by the Red Sea on the west, Saudi Arabia to the north, and Aden Colony and Protectorate to the south.

The country is, for the most part, covered with mountains which for centuries have protected the relatively concentrated and hard-working population from foreign conquest. Ancient terraces which are designed to make use of run-off water produce fruits, cereals and cotton. Mocha coffee, so called after the country's principal seaport, is internationally famous. Recent surveys indicate that the Yemen has even greater agricultural potential, particularly along the coastal plain, and FAO and government experts are studying plans for irrigation.

Recently, the prospects of finding oil and other minerals such as coal and iron, have attracted foreign interests. Last year, the Yemen Development Corporation of Washington was given rights to exploit oil and mineral reserves in north Yemen but excluding the coastal plain. Another company was granted an oil concession at Salif on the coastal plain and is reported to be drilling. As a result of these concessions, Yemenis living abroad have returned home with the hope of participating in this new wealth.

A cotton textile mill is being built, plus a broadcasting station at Sana and a spinning factory at Bajil. In addition, the Ste. de Construction des Batignolles is building a harbour at Mocha and a road to Faiz.

Yemen's foreign trade totals $16 million. Apart from 6,000 tons per year of coffee (which goes principally to the United States, France, and Egypt), exports consist of rock salt (about 10,000 tons per month sold to Japan), hides and skins, cotton, fruits and vegetables.

There is no exchange problem in the Yemen and all purchases are paid for in dollars. Its imports of consumer goods and capital equipment should increase steadily and its potential as a small market for Canadian goods should not be overlooked. Among the imports of particular interest to Canada are agricultural implements, irrigation equipment, and motor vehicles.

—M. R. M. DALE,
Commercial Secretary, Cairo.

Japan's Film Industry

Grows and Prospers

Awards and honours won at international film festivals have encouraged Japan's 76 moving picture producers to consider export possibilities. With a huge domestic audience, earnings from average film usually cover producion costs and provide profit, but keen competition is creating problems.

J. L. MÜTTER, *Commercial Counsellor, Tokyo.*

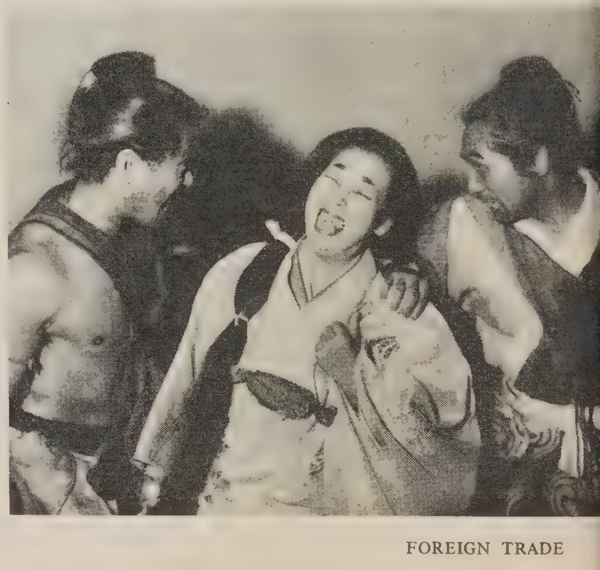
FIFTY-EIGHT YEARS AGO the first feature film was made in Japan; in 1955, the Japanese film industry produced no less than 336 features and 86 shorts—proof of its growth and of its complete recovery from the damage inflicted during the war. The industry is dominated by six major companies which made about 90 per cent of the films released last year. Each of these enterprises can supply local movie houses with a continuous flow of new pictures throughout the year. In addition to the "big six", there are about 70 independent producers capable of turning out full-length films, although only about one-third of these operate on a regular schedule.

Domestic Market Huge

One of the advantages of the Japanese industry is that a picture can easily earn its production cost, plus a comfortable profit margin, from domestic release alone because the home market is so large. Box office returns usually total more than double the production cost, without taking foreign revenue into consideration. Annual attendance at cinemas totals about 877 million, which means that every man, woman and child in the country goes to the movies about ten times a year. Catering to this vast audience are some 4,600 motion picture theatres, of which 70 per cent feature Japanese films. Box office receipts in 1955 totalled an estimated \$186 million, of which \$177·5 million was earned by domestic productions.

It is not surprising, therefore, that Japanese film producers have concentrated mainly on pictures for home consumption—theirs is a market on which television has not yet made any substantial impression, and in which they enjoy a fair measure of protection from foreign competition. Immediately after the war there was a big influx of foreign pictures into Japan, especially from the United States, but these imports are now controlled by a quota system, under which the number of films to be brought in each year is allocated in advance to each of the supplying countries. For the past three years, the total number of foreign films imported has averaged 195 a year—136 from the United States, 19 from France, and 17 from Great Britain. Of course, this concentration on the domestic market creates its own problems because the keen competition among companies is leading to a greater volume of pictures every year. The indications are that 1956 will see some 360 features and 200 shorts

—RKO Pictures



(Right) Rashomon, *a Japanese film which won the Grand Prize at the 1951 Venice Film Festival, encouraged the producers to make other films which could be shown abroad, both to earn dollars and to increase understanding of Japanese life and the Japanese people.*

—International Film Distributors Ltd.

(Left) Gate of Hell, *produced in colour, was also a prize-winner, carrying off the Grand Prize at the Cannes Film Festival. Films like this helped Japanese producers to earn over $2 million abroad in 1955.*

turned out, with no appreciable increase in total earnings. As a result, it is reported, the principal producers have been studying seriously means of checking this competition, although no satisfactory solution has yet been reached.

Few Wide-Screen or Colour Films

The Japanese industry is naturally interested in new techniques and in new recording methods. It is also prepared to produce wide-screen pictures, but three factors have operated against any wholesale swing to this type. First, American wide-screen films are said to be earning much less here than was expected; second, the cost of remodelling conventional movie houses for such films is considerable, and third, the counter-attraction of Japanese television is not yet a serious threat. Consequently, today only 10 per cent of the theatres in Japan are equipped with wide screens.

Only ten colour films were produced in Japan in 1955; this year 30 are planned. Most of these will be in Eastman colour, although domestic colour film has improved greatly and locally-produced film stock is likely to be used more and more in the future.

Exports Should Grow

In choosing and handling themes for Japanese films, few producers and directors attempt to adapt their productions to foreign tastes and the gap between movie themes in which Japanese viewers are interested and those which appeal to western audiences is very wide. Until comparatively recently, most Japanese picture-makers appear to have paid very little attention to the potentialities of export markets. However, there are growing indications of a change in their attitude, dating from 1951 when the Japanese film *Rashomon* won the Grand Prize at the Venice Film Festival. This proof of the ability of Japanese producers to compete in international company has stimulated interest in the production of pictures which can be understood overseas, which can help foreigners to understand Japan better, and which can boost the country's foreign exchange earnings. Formerly, any Japanese films exported were sold outright, but latterly the trend has been towards rental on a percentage basis (as is the case with imported films). It is estimated that in 1955 export films earned some $2 million of which about $750 thousand was income from percentage contracts.

Other Japanese films which have won recognition abroad in the last few years are *Gate of Hell, Ugetsu, Golden Demon,* and *Samurai*—the latter won an honorary "Oscar" in the United States. None of these prize-winning pictures has been screened as yet in first-class theatres in North America, although most of them have been shown in the smaller Canadian and U.S. theatres which specialize in foreign films. In Western Europe, however, Japanese pictures have been shown in some of the leading theatres with considerable success and the outlook in that area is considered promising.

Co-operation with Foreign Producers

Japanese film producers receive no assistance from the Government in their endeavours to break into the highly competitive world market. Nevertheless, by their own efforts they have gained acceptance in the International Producers Association and are enthusiastic supporters of international film festivals, such as those at Cannes and Venice. They also helped to create the three-year-old South East Asia Producers Association whose 1956 meeting is scheduled to take place in Hong Kong. Thus the reputation of the Japanese movie industry and its creations is spreading throughout the world and, as a result, there have been several cases of joint production between Japanese enterprises and foreign companies. One of the most successful of these joint efforts was *Madame Butterfly,* produced in Rome in collaboration with two Italian companies. This year a Japanese producer has completed plans to make a film with a French company and, with the amicable settlement of outstanding reparations problems, there should be good possibilities for co-operative film production with the Philippines and Indonesia. ●

commodity notes

Argentina

PHARMACEUTICALS—The Argentine Ministry of Finance has just announced that it has approved a proposal submitted by Messrs. Eli Lilly International of Indiana to establish a modern factory to produce its complete line of pharmaceutical products which were previously imported. Production is expected to begin in the near future—Buenos Aires, June 8.

Australia

CARBON BLACK—The decision to build a £A2 million plant at Geelong, Victoria, to make carbon black was announced on April 30th by the managing director of Shell Chemical (Australia) Pty. Ltd. in conjunction with the United Carbon Co. of Charleston, U.S.

The plant will manufacture a range of blacks to meet the needs of the Australian market and provide a surplus for export. Domestic manufacture will save approximtely £2 million a year in foreign exchange and will make Australia independent of overseas supplies of an important range of strategic industrial chemicals—Melbourne, June 11.

Brazil

IRON ORE—Further expansion of Brazil's major iron ore exporter, the Cia. Vale do Rio Doce, will be financed by a US$3·9 million loan from the Export-Import Bank. The funds will be used to buy railroad and mining equipment to increase production capacity. Brazil's production of iron ore in 1954 (the latest year for which figures are given) was 3,070,741 tons—Rio de Janeiro, June 4.

British Eastern Caribbean

SEA ISLAND COTTON—British West Indian production of Sea Island cotton amounted to 6,100 bales in 1955 compared with 3,400 bales the previous year. Only about 14,000 acres are planted to cotton throughout the area, of which almost half is on the island of Antigua in the Leeward group—Port-of-Spain, June 18.

Federation of Rhodesia and Nyasaland

COPPER—The new £4½ million copper refinery being built at Ndola, Northern Rhodesia, is to have its estimated capacity doubled from 55,000 to 110 thousand tons a year. Production, at the initial volume of 55,000 tons, is expected to begin in 1958 and full output to be reached by 1960—Salisbury, June 4.

France

WINE—The French Wine Institute has forecast a reduction of 20 per cent in wine production in Metropolitan France this year. A total production of 1,056 million gallons is expected this year, compared with 1,320 million gallons in 1955—Paris, June 18.

India

BLACK PEPPER—The Government has announced the final official all-India estimate of black pepper for 1955-56: 214,200 acres with a production of 27,200 tons. These figures represent an acreage increase of 2·8 per cent and 8·8 per cent more pepper than the revised estimates for 1954-55.

Acreage increased in all the black pepper growing states; production was higher in all states except Travancore-Cochin—Bombay, June 12.

Jamaica

ALUMINUM POTS AND PANS—Two aluminum pot and pan factories are being erected on the island and are expected to start production within the next few months. One is under construction in Falmouth on the north coast just east of Montego Bay, and the other, which will also produce aluminum doors and windows, in Kingston on the south coast. Canadian manufacturers of aluminum blanks and extrusions who wish to offer their products to these manufacturers can contact them through the Canadian Trade Commissioner—Kingston, June 14.

Japan

LIGHT MACHINERY—Japanese industry has set an export target of $110 million for light machinery for the period April 1, 1956, to March 31, 1957. Sewing

machines make up a large part of the total. The new export target represents an increase of $22 million over actual exports in 1955—Tokyo, June 6.

SCRAP METAL—Because of short supplies, the Japanese Scrap Iron Association has raised the agreed buying price for best quality scrap to $77.00 per ton, an increase of $16.50 per ton over the former set price of $60.50. This action was taken in view of increased buying by non-member steelmakers and speculation by dealers, who were offering well above the Association's fixed prices.

Further measures to stabilize prices include an emergency import of 100 thousand tons of scrap, a 10 per cent reduction of steel production from July through September, and an appeal to non-member steelmakers to restrict purchases—Tokyo, June 6.

Singapore

COCONUT OIL—Export of coconut oil (refined) for the first quarter of 1956 increased 56·4 per cent over the same period of the previous year. Total exports were 1,176 tons compared with 752 tons in the first three months of 1955. Hong Kong and Burma were the largest customers.

Exports of crude coconut oil decreased by 16 per cent. In the first quarter of 1956, 6,290 tons were exported compared with 7,292 in 1955—Singapore, May 30.

COPRA—Exports of copra from Singapore have fallen sharply. Official statistics show a drop from 15,073 tons in the first quarter of 1955 to 5,715 tons in 1956. In March only 1,625 tons of copra were exported compared with 6,280 tons in the previous year—Singapore, June 5.

Sweden

IRON ORE—Iron ore mining in Sweden reached a new record in 1955 of 17·45 million tons of ore—an increase of 2·12 million over 1954. The previous record was in 1953 when production totalled 16·98 million tons. Exports in 1955 amounted to 15·65 million tons—an increase of 1·57 million over 1954. Domestic consumption in 1955 reached two million tons, 0·3 million more than in 1954. The rise in exports last year was mainly due to increased sales to West Germany—approximately 6·5 million against only 4·8 million tons in 1954. During 1956 it is expected that West Germany will import over seven million tons of Swedish iron ore. On the other hand, sales to the United States will probably continue to drop; exports to the U.S. in 1953 were 2·1 million tons, in 1954 1·6, and in 1955 1·1. It is estimated that in 1956 total Swedish production of iron ore will increase by about one million tons, most of which will go to exports. Brazil is evidently becoming a difficult competitor for Swedish exporters of iron ore, mainly because of the rapid expansion in that country. It is reported, however, that Swedish companies are investigating the possibilities of exploiting iron ore deposits in other parts of the world—Stockholm, June 13.

Uganda

COPPER AND COBALT—Production of copper and cobalt from the Kilembe deposits in Uganda is likely to start in the next few months. A smelter to handle the ore is being built at Jinja, site of the big Owen Falls hydro-electric station on the River Nile. The Kilembe mine, a $20 million project owned by a Canadian company and by the Colonial Development Corporation and the Uganda Development Corporation, has a planned initial output of 9,500 short tons of blister copper and 900 thousand pounds of cobalt a year. Deposits of exploitable ore are estimated at 13 million tons—Salisbury, June 10.

United States

AUTOMATIC COST AND PAYROLL RECORDER—A Massachusetts firm has developed an improved automatic cost and payroll recorder. The new electric unit is arranged for either trigger-trip or touch-plate registration. It is designed to furnish accurate and indisputable payroll and cost records of each employee's time—Boston, June 22.

Venezuela

DIAMONDS—The Venezuelan Ministry of Mines and Hydrocarbons has announced that diamond production during 1955 reached a total of 141,147 carats. This was a 45 per cent increase over 1954 and further increases can be expected. The principal markets were the United States, the Netherlands, Switzerland and West Germany which together purchased 137,421 carats of last year's output. The main producing areas are in the state of Bolivar, a mountainous district on the Brazilian border—Caracas, June 6.

POTATOES—The Venezuelan Ministry of Agriculture and Livestock has advised potato farmers in the main producing regions that scientific investigation by the Ministry's experts has proved that the varieties Red Pontiac and Kennebec give the best results under prevailing conditions. An extension service bulletin has been distributed to growers summarizing the results of the Ministry's experiments and recommending that these two new varieties be used exclusively during the coming season. Venezuela is expected to be in the market for some 200 thousand 50-kilo crates of certified seed potatoes this autumn—Caracas, June 6.

Wheat Flour for the Philippines

Second only to Britain as a buyer of Canadian wheat flour, the Philippines stepped up its purchases last year. Growing popularity of bread as staple food should ensure that this increase continues, though dollar problem remains limiting factor.

H. L. E. PRIESTMAN, *Consul General and Trade Commissioner, Manila.*

IMPORTS OF WHEAT FLOUR into the Philippines increased remarkably in 1955—some 33 per cent over 1954, to reach nearly 244 thousand metric tons, according to preliminary figures just released. Value of these imports increased by only 15 per cent, rising from \$19·5 million in 1954 to \$22·5 million in 1955.

Unusually large quantities of flour were imported in December 1955, for fiscal reasons. This is supported by the statistics, which show 33,711 metric tons brought in in December. However the value, at \$1·9 million, is still below the \$2·1 million in July (21,248 tons) or the \$2·3 million in October (22,362 tons) for much smaller quantities. This indicates the substantial drop in the average imports of wheat flour towards the end of 1955.

The following table shows the course of wheat flour imports into the Philippines during 1954 and 1955:

IMPORTS OF WHEAT FLOUR

	1955		*1954*	
Origin	*Quantity (metric tons)*	*Value (\$1,000 U.S.)*	*Quantity (metric tons)*	*Value (\$1,000 U.S.)*
United States	109,124	9,147	80,288	7,669
Canada	130,627	12,935	106,599	11,807
Australia	4,100	393	865	78
Japan	67	6	43	5
Netherlands	30	3	....	. .
India	18	2	....	....
British Borneo	23	1		
	243,989	22,487	187,795	19,559

Source: Adapted from Philippine Bureau of Statistics, preliminary figures.

Shipments from Hong Kong, which has a new wheat flour mill, totalled less than one ton, and imports from British Borneo may represent transhipments from Hong Kong or other unidentified countries of origin.

All wheat flour used in the Philippines is imported, chiefly from Canada (53·5 per cent), the United States (44·8 per cent), and Australia (1·6 per cent). In fact, the Philippines ranks second only to the United Kingdom as an export market for Canadian wheat flour.

There has been talk of building one or two flour mills but the obstacles so far have proved too hard to overcome. In any case, all the wheat for a mill would have to be imported.

Use of Bread Increasing

The use and consumption of bread is increasing, particularly as pan de sal for breakfast or lunch, in a population which previously favoured rice. This arises both from the convenience of handling bread compared with rice, which has to be cooked for each meal, and from the tendency in a country developing industrially like the Philippines for the labourer to add wheat bread to his diet, first as a luxury at certain seasons of the year, then for nutrition and convenience. Gradually its use becomes standard practice with him and his family.

Small bakeries have become fairly numerous even in remote areas, rural transportation is improving, and wheat flour in various forms is growing more popular with consumers through the enterprise of distributors. However, the Philippines has no free lunch program for schools, such as exists in Japan.

How Trade Is Conducted

The export trade in wheat flour from North America is conducted by millers and export merchants (long entrenched in the trade) from cities on the Pacific Coast, convenient for making ocean shipments across the Pacific to the Philippines. Flour shipments must be prompt, regular and well handled, to avoid too much time in transit or storage, and also market gluts, because flour deteriorates quickly.

Wheat flour is at present among the few decontrolled items for which importers can obtain letters of credit in dollars up to their current needs. Business is conducted on letter of credit terms. There is a marked

tendency for trade to be channelled between firms in the Philippines and their long-standing connections in Canada. The market is intensely brand-conscious—even more so in flour than in other packaged goods. Brands are numerous and are sometimes owned by importers who have flour made under their label, and sometimes by the mill or by the exporter.

The great bulk of imports arrive in 50 lb. cotton bags for the bakery trade. Small quantities of household flour in two, five, and ten lb. paper bags are shipped for the retail grocery trade, but one or two United States brands hold the market unchallenged.

Flour is sold to bakers at a very low profit margin and it is customary for importers to finance bakers for 60 days or more. All this makes it very difficult to introduce a new brand unless there are special price inducements for a lengthy period.

The prospects for an expanding market are somewhat clouded by the scarcity of dollars, but if this problem were solved, the energetic way in which importers have continued to cover the market, plus frequent helpful visits from their overseas principals, encourage the belief that the Philippine market for Canadian wheat flour could be expanded further.

The Italian Market for Canadian Fish

Canada's traditional fish exports to Italy consist almost entirely of salted codfish and canned salmon. But recent relaxations in import restrictions should mean new opportunities for sales of pickled and smoked fish.

K. F. OSMOND, *Commercial Secretary, Rome.*

EACH SPRING FOR THE PAST SIX YEARS, Canada has been required to negotiate an agreement with Italy for the sale of salted codfish and canned salmon.

Greatly improved economic conditions, particularly in the last two years, plus the desire of the Italian Government to maintain a liberal trade policy, have recently resulted in the liberalization of additional products from the dollar area, including dried, salted and smoked fish. Fish falling within these categories may now be imported into Italy without import licences or dollar allocations. Canadian exporters can therefore look forward to the coming season with greater confidence than in other years, when their sales depended upon Canada's success in its yearly negotiations with the Italian authorities.

Canned fish, including salmon, is still on the list of restricted items. However, it is expected that sufficient dollars will again be made available to cover canned salmon which Canadian exporters can supply to this market for the 1956-57 season.

The Italian fishing industry, encouraged by various forms of government assistance, has made slow but steady progress in modernizing its fishing fleet and improving shore facilities since 1945. However, the quantity of fish taken in recent years has shown little variation and total 1955 landings of 194,747 metric tons were only 155 tons above those of 1954.

In postwar years, Italian fishing operations on the most prolific fishing grounds in the Adriatic, adjacent to the coast of Yugoslavia, have been restricted. In recent months, however, a Fisheries Agreement entered into between Italy and Yugoslavia has established the right of Italians to fish in designated zones of Yugoslav waters under certain conditions. At present, the agreement is only provisional and subject to ratification, but the Italian fishing industry hopes that it will permit greater freedom to operate in these rich Adriatic waters and result in increased catches.

Fish Imports Increased

Italy's total imports of fish during 1955 rose 20·5 per cent above 1954, largely because of increased purchases of salted codfish and fresh and frozen fish. Most of the frozen fish imports consisted of tuna supplied by Norway and Japan for local canneries.

The following statistics show the quantities and types of fish imported into Italy during 1955, compared with the previous year:

ITALIAN FISH IMPORTS

	1955	1954
	(in metric tons)	
Salted codfish	55,137	43,330
Stockfish	6,845	6,406
Fresh and frozen fish	33,083	22,988
Herring, salted and smoked	4,202	4,080
Pilchards, salted	279	853
Anchovies and sardines, salted	797	975
Crustaceans and molluscs	2,490	1,940
Other fish, fresh, salted, or smoked	97	38
Salmon, canned	1,528	1,394
Sardines and anchovies, canned	10,640	11,616
Tuna, canned	7,435	8,037
Other fish, canned	5,379	4,451
Total Fish Imports	127,912	106,108

Salted Codfish

Italy's 1955 imports of salted codfish from Canada showed a 19 per cent decrease compared with 1954. Canada's main competition comes from the heavy salted dried fish from France. Most of the salted codfish imported from countries other than France and Canada is wetsalted and is sold on the local market as such. Because of its low price, French fish has made serious inroads into sections of the Italian market which were formerly considered strongholds for hard dried light salted cod and, in particular, for Newfoundland shore fish. Imports of French fish have more than quadrupled since 1953 and although consumer demand for the French product appears to be lessening, the threat to Canadian trade remains. To meet this competition, and at the same time avoid price reductions, it is of prime importance to maintain high standards—superior quality is Canada's strongest selling point in this market.

Italy's imports of salted codfish during the past two years were:

	1955	1954
	(in metric tons)	
France	17,543	8,326
Iceland	14,735	12,467
Denmark	7,488	11,315
United Kingdom	5,695	....
Canada	3,464	4,276
West Germany	2,448	1,160
Other countries	576	2,056
Italian deep sea fisheries	3,188	3,730
Total	55,137	43,330

Canned Salmon

Canada's exports of canned salmon to Italy continue to increase and shipments during 1955 rose to 1,484 metric tons, or 123 tons more than in 1954. Most of this salmon, however, came forward in the first half of 1955 and consisted of 1954 production. The drastic decline in last season's catch of chum salmon which, because of its lower price, is the best seller in Italy, will no doubt be reflected in Italian import figures for 1956. However, increased purchases of pink salmon may help to offset the decrease in the amount of chum available.

Marketing Outlook

Slow sales and larger-than-usual stocks at the turn of the year caused considerable pessimism in the Italian salt codfish trade. However, severe weather conditions during February and March curtailed local fishing operations and demand for salt cod again became active. Sales have continued to be fairly brisk and it is expected that, for the most part, stocks will be disposed of by the beginning of the new season. By that time, import demand should be normal.

Canadian canned salmon may encounter increased competition but our brand names are well established in this market and there should be no difficulty in maintaining sales provided prices remain competitive. Canada's exports of fish to Italy have usually consisted of salted cod and canned salmon, but now all fish coming within the categories of dried, salted or smoked may be imported freely from dollar areas. Canadian exporters of pickled and smoked fish in particular might well explore the possibilities of the Italian market for these products.

Tours of Territory

D. B. LAUGHTON, Canadian Trade Commissioner in Port-of-Spain, Trinidad, will tour British and Dutch Guiana for ten days, beginning in the second week of July.

M. P. CARSON, Trade Commissioner in Singapore, will visit Sarawak, Brunei, and North Borneo July 1-12 and Rangoon, Burma, and Bangkok, Thailand, July 25-August 7.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible.

Trade Commissioners on Tour

G. A. BROWNE, Commercial Secretary in Havana, Cuba, completes the first half of his Canadian tour in Ottawa, July 3-20. He will resume his tour, in the West, early in October.

Businessmen may get in touch with Mr. Browne through the Department of Trade and Commerce in Ottawa.

British Agriculture: production and policies

Efforts to expand markets in the United Kingdom for Canadian farm products continue to be influenced by British domestic farm policies and exchange restrictions. The market for wheat and cheese should remain satisfactory.

D. A. BRUCE MARSHALL,
Commercial Secretary (Agricultural), London.

BRITISH AGRICULTURE enjoyed a record harvest in 1955 and high yields helped considerably in its progress towards greater efficiency. More efficient production has become the main theme of the Government's dealings with the farm industry and is reflected in the Annual Price Reviews of 1955 and 1956. Livestock production, with the exception of pigs, continued to increase during the past year. Generally speaking, the British farmer is supplying a greater share of the United Kingdom's food. The Government is concerned that this be done without increasing the burden of subsidies or involving the embarrassment of over-supply.

Grain Harvest Reaches Record

After a late cold spring which retarded activity on the land, the country experienced a long, hot and dry summer. This, and the near extinction of rabbits from myxomatosis, resulted in record yields of grain. Although there was a 20 per cent drop in wheat acreage in 1955, wheat production of 94·3 million bushels was only 6 per cent below the year before. Yields rose from 41·5 bushels to 49·8 bushels per acre.

Barley acreage in 1955 rose 12 per cent above 1954 and production increased from 93·6 million to 125 million bushels. Yields per acre were up 9·4 bushels to 59·3 bushels.

Total production of oats last year reached 110·1 million bushels, up 17·4 million bushels over 1954. The oats acreage was only one per cent greater but yields increased from 63·2 to 74·1 bushels per acre.

The Government's current policy for home wheat production, as expressed at the 1956 Annual Price Review, is that further expansion is not compatible with the world surplus, particularly in the Commonwealth. Consequently the floor price for wheat was cut. However, the latest crop forecast (March 1956) shows 2,179 thousand acres sown to wheat, an increase of 230 thousand acres compared with March 1955. This is principally the result of heavier fall sowings.

More Wheat Imported

The United Kingdom imported 168·1 million bushels of wheat in 1955, 30 per cent more than in the previous year. Fifty per cent of this was purchased from Canada (84 million bushels). The rate of imports in the first quarter of 1956 was slightly below the same period of 1955, however, at 43·9 million bushels. Canada's share of this trade remained the same—about 50 per cent of total imports.

Last year over 13·5 million pounds of Canadian cheddar cheese were sold in Britain, compared with only 4·3 million pounds in 1954. This pick-up in sales is continuing.

United Kingdom Home Production and Imports

Production Highlights, 1955 compared with 1954

- GRAINS

Wheat—94·3 million bushels (down 6·0 million)
Barley—125·0 million bushels (up 31·4 million)
Oats—110·1 million bushels (up 17·4 million)

- DAIRY AND LIVESTOCK

Milk—1,953·6 million gallons total (first slight decline since the war)
426·8 million gallons for manufacturing (a smaller surplus than 1954)

In first quarter 1956 total milk production again increasing faster than fluid consumption.

Butter—35·3 million pounds (51·5 million 1954)
Cheese—54·2 million pounds (down 38 per cent)
Cattle on farms—10·77 million head (up 290 thousand)
Sheep and lambs—17·2 million head (up 330 thousand)
Swine—5·97 million head (down 1 million)
Meat produced—2,811·0 million pounds (down 260·7 thousand)

Meat production was higher in 1954 in response to derationing of meat and bacon.

Import Highlights, 1955 compared with 1954

- MEATS

Beef and veal—789·1 million pounds (up 31 per cent)
Bacon—690·5 million pounds (up 3 per cent)
Pork—68·5 million pounds (up 14 per cent)

- DAIRY PRODUCTS

Butter—694 million pounds (up 64 million)
Cheese—242 million pounds (down 8·8 million)
Cheddar from Canada increased from 4·3 million pounds (1954) to 13 million in 1955

- GRAINS

Wheat—168·1 million bushels (up 3 per cent from 1954) 84 million bushels from Canada
Flour—345·1 thousand tons (down 15·5 thousand) Canada's share of market 75 per cent
Oats—3·3 million bushels (1954 amount about half) Mostly from Canada
Barley—43·3 million bushels (slightly more in 1954) 89 per cent from Canada

Feed grain imports very much reduced in first quarter of 1956 compared with same months of 1955. Wheat imports are down only slightly.

Canada remained Britain's largest supplier of wheat flour, shipping over two-thirds of total imports in 1955. The trend to reduced flour imports continued in 1955 when they totalled 345·1 thousand tons compared with 360·6 thousand tons in 1954. This is still evident in the first quarter of 1956, when 70·4 thousand tons of flour were imported compared with 76·4 thousand in the same quarter of 1955. Canada retained 75 per cent of this business. In September the Government will discontinue its £23·5 million a year bread subsidy to bakers making the "National" loaf.

More Feed Grown

At the 1956 Annual Price Review when the Government reduced the guaranteed prices of wheat, those for barley and oats were increased. The fertilizer subsidy rates also went up and grants were set up for assistance in the construction of silos. The Government's program calls for greater home production of feedingstuffs.

In addition to the high yields at home, imports of feedingstuffs in the U.K. in 1955 continued, mainly at a higher rate than in the year before. Imports of corn in 1955 were 50 per cent higher than those of the previous year at 1,502 thousand tons. The United States supplied most of this. Imported oats totalled 3·3 million bushels, more than double the amount imported in 1954; most of these supplies were shipped from Canada.

Barley imports in 1955, at 43·3 million bushels, were slightly below those of the year before and Canada supplied 89 per cent. Total imports of oilseed cake and meal went up from 640 thousand tons in 1954 to 891 thousand tons last year. The trade in soya bean meal and cake has increased in the past few years: 1952, 16,000 tons; 1953, 40,000 tons; 1954, 57,000 tons; 1955, 156 thousand tons.

Statistics for the first quarter of this year indicate that the Government's incentives may be showing results. The rate of imports of most types of feeds has slowed down considerably. Feed imports were heavier than usual from January to March 1955, because of the poor harvest the year before. Even allowing for this, the figures show a decrease in imports.

Barley imports (January-March 1956) were only 3·7 million bushels compared with 11·3 million in the same period of 1955. Canada's shipments of 1·3 million bushels of barley in the 1956 period were only one-eighth those of the same period in 1955.

Corn imports dropped from 429 thousand tons in January to March 1955 to 350 thousand in the first quarter of 1956. Imports of oats similarly fell from 1·0 million to 569 thousand bushels. Purchases abroad of most kinds of oilcake and meal feeds were smaller.

Milk and Milk Products

The ideal weather for grain production adversely affected forage yields and milk production declined slightly for the first time since the war. Out of a total milk production of 1,953·6 million gallons, a somewhat smaller surplus (426·8 million gallons) was left for manufacturing purposes. During the first quarter of 1956, milk production was again increasing faster than fluid consumption.

Less total milk for processing in 1955 meant less milk available for diversion into butter and cheese. Butter production fell from 51·5 million pounds in 1954 to 35·3 million pounds in 1955. Similarly cheddar cheese production decreased 38 per cent to 54·2 million lb.

Butter imports in 1955 totalled 694 million pounds, an increase of 64 million pounds over the year before. Largest butter supplier was New Zealand, followed by Denmark and Australia.

Although total imports of cheddar cheese fell to 242 million pounds last year from 250·8 million pounds in 1954, Canada's share rose from 4·3 million pounds in 1954 to 13·5 million pounds last year. New Zealand supplied 75 per cent and Australia 18 per cent of total cheddar imports.

Shipments of 784 thousand pounds of Canadian cheddar in the first quarter of 1956 are higher than those for the same months last year. Total cheese imports were also up by 2 million pounds for the quarter.

Cheese Prices

During the last 12 months, prices for Canadian cheddar in the United Kingdom have risen steadily from 255/– to 312/– for 112 pounds (that is, from $31.89 to $39.00 for 100 pounds). There has been a general rise in cheese prices but never before, as the latest quotations of 320/– for Canadian cheddar show, has any cheese sold for a higher price than finest New Zealand butter (quoted at 290/–). English top-grade cheese sold for 280/– and New Zealand cheddar at 254/–. It is estimated that between 15 and 20 million pounds of Canadian cheddar could be sold at a fair premium over other cheddar.

A further allocation of £1½ million for cheddar from North America for the year beginning July 1, 1956, has been announced. Cheese prices may be lower because of the current high rate of cheese imports and the prospect of a greater milk surplus in Britain leading to more home production.

Livestock Production

Incentive payments continue to encourage sheep and beef producers to increase production, but the authorities are discouraging further expansion of the hog industry.

Cattle on farms at the end of 1955 totalled 10·77 million head, up 290 thousand head from 1954. Sheep numbers increased 340 thousand during 1955 to a total of 17·2 million head. Hog numbers in the same period declined by one million to 5·98 million.

At the 1956 Price Review, the guaranteed price for beef producers was increased and hog prices were reduced slightly. One aim of the hog policy is to reduce the present £50 million annual subsidy. The Government also wants to improve pork quality and encourage more economical production.

Meat Production Drops

Although livestock numbers increased, meat production in 1955 fell below 1954. Beef dropped from 1,703·9 million pounds in 1954 to 1,527·7 million in 1955; similarly veal went down from 49·2 million to 47·9 million pounds, mutton and lamb from 464·8 to 399·1 million pounds, and pork from 853·8 to 846·8 million pounds. The reason for this was that 1954 was an exceptional year, marking the last stage of derationing (that of meat and bacon in July). The British consumer insisted on home-killed meat and the British farmer cashed in. Slaughtering was heavy in the second half of that year. This lasted until price resistance appeared and increased quantities of chilled beef arrived from overseas at more competitive prices. The post-rationing pattern has not been established yet, but 1955 was a year of readjustment for British meat production.

Meat Imports Up

Total imports of beef and veal were 31 per cent greater last year (789·1 million pounds in 1955; 602·5 million pounds in 1954). Bacon imports in 1955 reached 690·5 million pounds (3 per cent higher); pork imports totalled 68·7 million pounds (up 14 per

cent). The volume of bacon imports declined in the first quarter of 1956 to 171·1 million pounds, a drop of 5 per cent. This was mainly because of less bacon from Denmark and the Netherlands.

A significant development during the year was a considerable expansion of chilled beef imports (268·0 million pounds in 1955; 42·5 million pounds in 1954). In the first quarter of 1956 chilled beef imports have exceeded frozen beef imports (138·7 million pounds of chilled beef; 125·2 million pounds of frozen beef). From January to March 1954, imports of chilled beef totalled only 53·7 million pounds compared with 153·2 million pounds of the frozen product.

On September 30, the bacon contract with Denmark expires and bacon purchasing returns to the private trade. A 10 per cent duty will be levied on bacon imports from non-Commonwealth countries, but it is not yet clear how this will affect prices nor to what degree it will protect British producers.

Eggs and Apples

Imports of eggs for the first four months of 1956 were only one-third those of the year before. Despite slightly higher domestic production, the total supply of 191·7 million dozen eggs was below the 1955 level at the same date. Total egg supplies of 563·66 million dozen in 1955 were 43 million dozen below the 1954 level. Egg imports from Denmark were halved in 1955 and total imports of eggs fell from 119·71 million dozen in 1954 to 83·45 dozen in 1955.

From October 1955 to March 1956, Canadian apples again appeared on the British market under a quota of £990 thousand. Prices ranged from 37/– to 42/– a box ($5.18 to $5.88) depending on variety and grade. To compete successfully, the exporter must keep in mind that only top grades and first-class packing are acceptable to the discriminating British apple buyer.

Future Policies

At the 1956 Price Review the Government indicated that the question of a long-term policy would be discussed with the farming industry's representatives. The effect of a decade of controls is still being felt; the pattern of home production, imports, and consumption of food and agricultural products has not yet settled down. Some aspects of a long-term policy are apparent in the continued call for increased home output. The emphasis, however, is on economical and efficient production so that farmers may compete effectively with imported foodstuffs. The Government has undertaken not to sweep away price supports but it is looking for the utmost economies in that direction. By the fall, consumer subsidies will be almost entirely eliminated. ●

Trinidad Buys Canadian Beer

SALES of imported beer in Trinidad during 1955 totalled 279,300 thousand gallons valued at BWI* $765·5 thousand, which represents an increase of almost 50 per cent over the previous year. Canada was the largest supplier with sales of 104 thousand gallons (valued at $349·3 thousand), showing a gain of 25 per cent over 1954. Second and third place went to the Netherlands ($122 thousand) and Denmark ($93 thousand) respectively.

There are two breweries in Trinidad which in 1955 produced 402·8 thousand gallons valued at $91 thousand, a decrease of 26 per cent compared with 1954. To counteract this decline these companies have stepped up production and are carrying on a very active sales campaign.

Regulations in Trade

Trinidad restricts imported beer containers to imperial quarts, pints or half-pints and a 5 per cent tolerance is allowed on actual contents. The most popular size is the 10-ounce (one-half pint) bottle in a 24-unit carton. Beer may also be imported in bulk containers of not less than five imperial gallons each for eventual sale "on draught" or for bottling in smaller containers for retail sale.

Canada, with the United Kingdom and other Commonwealth countries, enjoys a 50 per cent tariff preference over foreign countries who must pay $0.63 per imperial gallon. In Port-of-Spain the local beer retails at 21 cents per half-pint bottle which is 17 cents cheaper than the highest priced imported beer and 5 cents cheaper than Canadian brands.

Outlook for 1956

Beer is imported from Canada under the terms of the B.W.I. Trade Liberalization Plan. With good salesmanship and advertising, Canadian exporters should be able to maintain present levels of sales and at the same time expect increases when trade is freed. Trinidad agents are showing greater interest in representing Canadian brewers and it appears that imported beer will remain a favourite of the buying public.

—D. B. LAUGHTON,
Trade Commissioner, Port-of-Spain.

* Note: All amounts given in BWI dollars.
BWI $1.00=approximately Cdn. $0.60.

South Africa *and its trade*

Relaxation of import control resulted in rise of £43·2 million in value of imports in 1955. Canada ranked fourth as supplier, with a $16 million boost in sales; motor vehicles and parts figured most largely in this increase.

A. WORDEN EVANS, *Trade Commissioner, Cape Town.*

SOUTH AFRICA'S FOREIGN TRADE in 1955 reflected the prevailing prosperity, with both imports and exports showing a marked rise. Substantial relaxation of import control saw incoming shipments reach a value of £482·2 million, up £43·2 million from 1954. Exports, at £361·2 million, were £36 million higher. Gold production increased to such an extent that the Union's customary deficit on current account actually dropped by £2 million.

Imports Rise

The easing of import control combined with the buoyant economy led to larger purchases from abroad. The United Kingdom (£166·8 million), and the United States (£100·4 million), were the principal suppliers, with West Germany (£29·2 million) a poor third, followed by Canada (£19·6 million) and the Federation of Rhodesia and Nyasaland (£15·2 million). The remainder of the trade was widely spread out, with European countries taking the major share.

IMPORTS BY COMMODITIES 1954 and 1955

	1955	*1954*
Animals, agricultural and pastoral products (not foodstuffs)	£ 4,039,495	£ 4,146,397
Foodstuffs	21,362,372	23,041,659
Ales, spirits, wines and beverages	1,894,886	1,451,014
Tobacco	2,902,389	813,126
Textiles, apparel, yarns and fibre	89,140,839	97,468,540
Metals, metal manufactures, machinery and vehicles	180,776,493	147,234,253
Minerals, earthenware and glassware	16,172,432	15,701,769
Oils, waxes, resins, paints & varnish	47,168,608	43,385,360
Drugs, chemicals and fertilizers	20,676,806	16,304,513
Leather and rubber and manufactures	13,969,475	10,090,183
Wood, cane and wicker and manufactures	16,990,777	13,810,131
Books, paper and stationery	20,008,997	17,066,366
Jewellery, timepieces, fancy goods and musical instruments	7,781,080	5,298,673
Miscellaneous	14,145,056	12,197,865
Total merchandise	457,029,705	408,009,849
Imports as government stores	25,176,582	30,944,791
	482,206,287	438,954,640

The commodity groups showing the greatest changes were textiles—apparels, yarns and fibres. Purchases abroad in this group declined by over £8 million, chiefly as the result of reduced demand for textiles. Imports of metals—metal manufactures, machinery and vehicles—rose by over £33 million, the result mainly of larger imports of automotive vehicles and parts (£16 million) and tractors (£4 million).

The table below gives imports by principal classes of commodities for the years 1954 and 1955.

Exports Also Increase

Exports, which normally consist mainly of wool, diamonds and other minerals, and varied manufactured goods, were up by £36 million largely because of shipments of uranium valued at £30 million, double the previous year. The United Kingdom continued to be the Union's best customer (£124 million) followed by the Federation of Rhodesia and Nyasaland (£54 million) and the United States (£29 million). A large number of countries shared the remaining exports.

Business with Canada

Canadian sales to South Africa rose to $56 million in 1955, $16 million above the previous year. Motor vehicles and parts were responsible for a major part of the increase, but a large number of individual items shared in this larger business. Other principal products shipped to the Union were wheat, lumber, newsprint and paper, tallow, agricultural implements, railway vehicles and parts, chemicals, upper leather and canned fish.

Canadian imports from South Africa totalled over $6 million—about the same as in 1954. Canned and dried fruit, peanuts, wool, diamonds, wines and brandy, and chrome and manganese ores were the most important commodities.

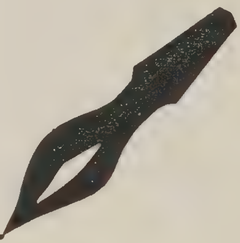
Although the Union's import control regulations hamper trade, there are still possibilities for business, as the import statistics show. In the main, the tariff is

low and competition keen. South Africa is a market that no Canadian manufacturer or exporter should neglect when he is investigating export possibilities.

South West Africa

South West Africa has prospered and expanded in the past few years and 1956 promises to be no exception. The territory, although granted as a mandate to South Africa, is now for all intents and purposes an integral part of the Union. Customs duties and exchange control regulations are the same as in the Union and its trade statistics have, since January 1, 1955, been amalgamated with those of the Union.

A record number of cattle were shipped to the Union in 1955—181,937 head compared with 177,479 in 1954 and 153,581 in 1953. Approximately 212,600 head of small stock were shipped to South Africa as against 152,579 in 1954. The good pasture conditions and the development of new lands should lead to further increases in the future. The karakul industry continues to flourish, with 2,864,246 pelts exported at an average of £2, as compared with 2,741,355 pelts at £1·15·6 the year before. Karakul wool followed the downward trend in prices for merino wool, but the market has now firmed, with a steady demand.



General notes

Austria

CHEMICAL INDUSTRY—During 1955 production of the Austrian chemical industry (700 enterprises) reached A.Sch. 5·86 billion, 18 per cent above the preceding year. The rise was particularly noticeable in fertilizers (production of which increased from 568 thousand metric tons in 1954 to 635 thousand in 1955), staple fibre (from 36,700 to 39,600 metric tons) and plastics and plastic goods (from 9,800 to 14,600 metric tons).

Exports reached 436 thousand metric tons valued at A.Sch. 1·27 billion, 10 per cent over 1954. Indirect exports, which are also important, are not included in these figures. Imports, mainly from West Germany, amounted to 587 thousand metric tons valued at A.Sch. 2·79 billion, a slight decrease in volume and increase in value—Berne, June 12.

Cuba

BAGASSE PAPER OUTPUT—Construction of the bagasse newsprint mill at Cardenas using the De la Rosa process seems to have slowed down and the mill is not expected to be in operation before the end of 1957. Three other projects using sugar cane bagasse are being considered: two are American-sponsored projects for the production of wallboard, and a third involves a company operating a bagasse newsprint mill in Peru. This latter company plans an initial newsprint output of 30,000 tons with a long-range target of 100 thousand tons a year—Havana, June 15.

Hong Kong

TRADE—Hong Kong's overall trade during the first quarter of 1956 showed considerable improvement over last year. Exports, at HK$777·4 million, increased 27·7 per cent; imports, at HK$1,106·9 million, rose by 18·5 per cent—Hong Kong, June 4.

Jamaica

TOURIST INDUSTRY—The last Jamaican winter tourist season has unofficially been reported as the best yet. As most of the tourists came from Canada and the United States, this "invisible export" is a large dollar-earner for Jamaica. Recently the Government created a new Tourist Board to develop this valuable business. In addition to its offices in Toronto, New York, and Miami, the Board intends to open one in Chicago next April. The Board has in view plans for the further expansion of tourism by attracting visitors from Canada, the southern United States and South America, and by publicizing Jamaica as a summer vacation resort—Kingston, June 13.

New Zealand

POWER STATION—A £6 million contract for a coal-fired, steam-driven electric power station at Mercer has been let to an organization formed by the New Zealand and American firms of Downer and Company Limited, Morrison-Knudsen (New Zealand) Limited, Morrison-Knudsen Company

corporated, and H. K. Ferguson and Company. ne Minister of Works, Mr. Goosman, in announcing e letting of the contract, stated that the station ould have a total final output of 180 thousand kw., ith 60 thousand kw. available by August 1958 and ll capacity reached by August 1959. An eight-ile aerial ropeway will be installed to take coal om Maramarua to the station, and a railway link ith the main line will enable coal to be brought om Huntly. Cooling water will be brought from e Waikato River and ash from the station used to l in low-lying areas of land nearby—Wellington, une 8.

orthern Ireland

UDGET PRESENTED—The Northern Ireland Bud-et for the fiscal year 1956-57, presented late in ay, estimated total revenue at £93·7 million and xpenditure at £81·2 million. After allowing for n Imperial Contribution of about £12·5 million, surplus of £55,000 would remain in the Exchequer.

According to the Minister of Finance, the Gov-rnment will continue its contribution to industrial vestment by building new factories and making rants to assist new industries. All applications volving the raising of more than £10,000 capital Great Britain must now be reviewed by the apital Issues Committee, but in Northern Ireland previous exemption of £50,000 has been retained nd no restrictions are placed on new capital issues less than that amount—Belfast, June 18.

outh Africa

OREIGN EXCHANGE RESERVES LOWER—Re-erves of gold and foreign exchange which stood at 129 million on December 31, 1955, dropped easonally to £112·8 million by June 1. Although is expected that this trend will be reversed later the year, there is little likelihood of any change the import quotas for the balance of 1956—Cape own, June 12.

weden

EW PAPER MILL—With the assistance of Canadian ngineers, a new sulphate paper mill of Canadian esign is being built by a paper company in the rovince of Varmland, and will be completed shortly. he 350-ton paper machine being installed will be ne of the largest in Scandinavia. It can produce aper 177 inches wide and its drying cylinder has a iameter of 196 inches and weighs over 80 tons.

The company is also building a new sulphate ulp plant which will be completed next year. This modern mill will boost output from 15,000 tons to 50,000 tons of sulphate pulp a year without increasing the number of workers. All the pulp will be used for kraft paper, of which about 90 per cent will be exported—Stockholm, June 19.

NEWSPRINT—The Finnish, Norwegian and Swedish producers of newsprint who ship regularly to the British market have established a central selling organization in London—Stockholm, June 13.

United Kingdom

STERLING RESERVE—During May sterling area reserves increased by $41 million to a total of $2,369 million. So far in 1956, reserves have risen by $249 million, compared with a decrease of $76 million in the same period last year.

Excluding defence aid from the United States and the settlement of the April European Payments Union surplus, the surplus arising from all other transactions during May was only $9 million, compared with $47 million in April and $80 million in March.

During May, the sterling area had a surplus with EPU of £8 million. This is the second month in succession in which a surplus has been recorded, following a series of monthly deficits since June 1955 —London, June 11.

EXPORTS—United Kingdom exports (including re-exports) reached the record level of £297·3 million in May. In the first five months of 1956 exports have averaged 6½ per cent higher than in the same period last year. The May figures included the value of the *Empress of Britain,* delivered to Canada, and of some silver bullion repayments to the United States. United Kingdom exports to North America were valued at £47·1 million, more than £13 million higher than in April. Excluding the two unusual export items, exports to North America were the highest so far recorded. In the five-month period, January to May 1956, exports to both Canada and the United States were 32 per cent over 1955's—London, June 18.

Venezuela

LIVESTOCK QUARANTINE—The Director of Livestock in the Venezuelan Ministry of Agriculture and Livestock has announced that the Ministry is constructing a quarantine station in the peninsula of Paria in the eastern part of the country. The station will be used to quarantine and immunize livestock imported from countries in which foot and mouth disease exists. Venezuela has, until the present time, forbidden imports from such countries. Canadian and United States livestock exporters can now expect competition from other South American countries and Europe—Caracas, June 13.

trade and tariff regulations

Australia

COPPER PROTECTION CONTINUED—The Commonwealth Ministers for Trade and for National Development announced last week that the Government has decided to continue the existing tariff protection for the Australian copper industry and to retain controls over copper exports. In so doing, the Government hopes to encourage the development of copper, and also has in mind the value to the economy of the producing, refining and fabricating sections of the industry. Existing duties will continue, but the practice of allowing imported copper in duty-free to supplement local production will also continue.

During the past year, mine production of copper in Australia rose to above 40,000 tons, practically all of which was produced by Mt. Isa, Mt. Lytell and Mt. Morgan interests. Production is expected to increase in the future. Should Australia move from a net importer to a net exporter the resultant gain in foreign exchange would be substantial. The Ministers said that, should the price of imported copper fall considerably and Australian producers seek assistance, the Tariff Board would be asked to conduct an inquiry and make recommendations—Sydney, May 29.

Denmark

IMPORT SYSTEM FOR TEXTILES REVISED—The Danish authorities introduced recently various changes in their import regulations for textiles involving the liberalization of certain textile imports; moderate increases in some customs duties; and the revocation of a deposit scheme under which Danish importers of textiles were required to make a cash deposit covering 35 per cent of each order, refundable at the end of 12 months, with the application for an import licence.

Semi-processed fishing nets, printers' rubber blankets on a textile base, and filter cloth are the products which are admitted from dollar countries free from quantitative restrictions under the new provisions. Imports of these products, and of several other textile items, were also liberalized upon entry from countries participating in the Organization for European Economic Co-operation.

The customs duties on textile products, which had been levied on a weight basis, were replaced by ad valorem rates which are somewhat higher in some instances. For example, on cotton piece goods, on which the previous duties were equivalent to between 4 and 6½ per cent of the value, the new duties range from 10 to 10½ per cent. On woollen piece goods the new duty is 12½ per cent of the value, against a previous duty equivalent of 7 to 8 per cent in most instances. On the other hand, the new 20 per cent duty on artificial silk fabrics is somewhat lower than the previous specific rate which worked out to about 22½ per cent—Copenhagen, May 28.

Ethiopia

IMPORT DUTIES AMENDED ON SPECIFIED COMMODITIES—Effective April 15, 1956, the Ethiopian Government has amended the rates of duty on and made revisions in the tariff items for certain commodities. Some 35 tariff items are affected by these amendments; the rates of duty were increased on 19 commodities, decreased on ten, and six rates were changed from ad valorem to specific or vice versa. Nine new sub-items were added to the customs tariff to accommodate certain imports, and other adjustments were made.

The following products currently exported by Canada to Ethiopia are affected by these amendments. On motor vehicle parts and accessories, the import duty is increased from 15 per cent ad valorem to 20 per cent ad valorem; on pneumatic rubber tires the duty is lowered from 50 cents per kilogram to 25 cents per kilogram; on tires for motor and diesel trucks and lorries from $4.00 (Ethiopian) per kilogram to free, and on rubber tubes from 60 cents to 25 cents per kilogram.

One new item is "wrapping paper and cardboard manufactures for packing purposes", with a rate of 10 per cent ad valorem. A new item, "secondhand clothing and sewn articles", has been added to cotton, flax, silk, artificial silk and wool textiles, at the rate of $3.00 per kilogram. (The Ethiopian dollar, 100 cents, is nominally worth 40 cents U.S. currency; a kilogram equals 2·2046 pounds.)

Details of the amendments affecting other goods under this revision, including cotton textiles, flax and manufactures, silk and artificial silk and manufactures, wool and manufactures, kerosene and power paraffin, caustic soda, dyes, and toilet preparations, may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

amaica

PECIFIC IMPORT LICENCE REQUIRED FOR LECTRICAL EQUIPMENT—Imports of electrical quipment which are likely to be affected by the roposed change in Jamaica's current from 40 to 50 ycles are being regulated to ensure that there will ot be a shortage of essential equipment during the onversion period, and to avoid a surplus of goods ot suitable for adaption. The following items will e affected:

- Refrigerators and freezers
- Washing machines
- Record players and juke boxes
- Clocks, ranges with clocks
- Organs
- Oil-burning furnace equipment
- Fans
- Dishwashers
- Sun lamps
- Fluorescent fixtures
- Vibrator-type shavers
- Sewing machines
- Ironers
- Vacuum cleaners, other than domestic
- Industrial food mixers
- Any speed-sensitive motor-driven equipment

Although no official deadline has been set for onversion to 50 cycle current, it is hoped that the hange will be made within two years—Kingston, une 18.

akistan

MPORT CONTROL POLICY ANNOUNCED—The akistan Government announced on June 1 its mport control policy for July-December 1956, and sted the items for which licences will be issued uring the new shipping period. Licences will be alid for all countries of the world, including anada, except those issued in pursuance of a trade greement with another foreign country. The new chedule has 207 numbered items compared with 11 for the January-June period. In spite of the ecrease in the number of items, there are no signifi-ant changes.

Items added to the licensable list are: apparel, mall arms, metal bracelets for watches, long-playing ramophone records, air conditioners and parts, food olours, woollen yarns, woollen fabrics and unspeci-ed textile manufactures.

Removed from the schedule of licensable goods re: crown corks, fruit seeds, oilcloth and floor cloth, lter cloth, canvas for industrial use, tea chests, nylon ristles, fibre and monofilament, and nylon gut and wine.

The schedule of licensable commodities includes he following: iron and steel, non-ferrous metals and erro-alloys, cast iron pipe and fittings, limestone, soda ash, ironware, hardware, drugs and medicines, tools and workshop equipment, scientific and surgical instruments, newsprint and paper, books and journals, cinematograph films, photographic films and instruments, rubber manufactures, motor cars and vans, cycles, radio and wireless apparatus, electrical apparatus, tractors and mechanical farming equipment, machinery and millwork.

Complete information may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Trinidad

DUTY-FREE ENTRY FOR SOME CONTAINERS—By Government Notice No. 72, dated May 18, the Customs Tariff Legislation of Trinidad was amended to permit the duty-free entry of all types of containers, including containers made from paper, provided that a container of a similar class or type is not manufactured within the Colony. The duty-free privilege will also extend to goods and materials, including paper, which are imported primarily for the manufacture or repair of containers, again provided that the Colony is not producing material of a like class or kind—Port-of-Spain, June 6.

West Germany

ADDITIONAL DOLLAR IMPORTS LIBERALIZED—According to advance information received from the Canadian Commercial Counsellor in Bonn, the list of dollar imports which may be imported into West Germany free from quantitative import restrictions has been enlarged. Shown below are some items of interest to Canada to which the new liberalization measure applies:

Agricultural products: Canned lobster and preparations; liver for use in the pharmaceutical industry; poultry liver; salt water fish, fresh, chilled or frozen—for example herring, cod, haddock, mackerel, sprats, sardines, halibut—but *not* including plaice and flounder; salted or dried cod, haddock, and halibut; eggs and egg products except in the shell; dried apples and pears; alsike clover seed; poultry fat for human consumption; fish oils for human consumption, not purified; tomato juice; tobacco.

Industrial products: All iron oxides; coal and coke; polyvinyl chloride; fur garments; asbestos manufactures, except brake and clutch linings; all copper and manufactures; aluminum foil; cobalt and cobalt products; office calculating machines.

The International Trade Relations Branch expects to receive a complete list of the new measure in time to publish further details in the next issue of this magazine.

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Trade Policy Adviser: H. R. Kemp	2-5151
Technical Adviser: G. D. Mallory	2-3819
Associate Deputy Minister: M. W. Sharp	2-2888, 2-5838
Economic Adviser: O. J. Firestone	2-4176
Assistant Deputy Minister: Oliver Master	2-2421

Administration Branch

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Supervisor: C. Drolet	2-4980
Equipment and Supplies	
Supervisor: E. S. Brown	2-5011

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Associate Director: Dr. J. Davis	6-7372

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Assistant Director (Planning): J. P. Manion	6-8286
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Europe: L. A. Campeau	2-0436
Latin America: S. G. Tregaskes	6-7641
United States	6-7641
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Assistant Director: G. S. Hall	6-7163
Assistant Director (Export Promotion): R. V. N. Gordon	6-6519

* *Unless otherwise noted all offices of the Department are in No. 1 Building.*

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Lumber, forest products: L. M. Lang	6-6991
Imports and Office Supervisor: L. M. Lang	6-6991
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Fisheries Division

Chief: T. R. Kinsella	6-7385

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The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversion into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1·016196.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent June 21	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Official	·05467	18·29	(1)
		Free	·02916	34·29	
Australia	Pound		2·2068	·4531	
Austria	Schilling		·03785	26·42	
Belgium-Luxembourg	Franc		·01971	50·74	
Belgian Congo	Franc		·01971	50·74	
Bolivia	Boliviano	Official	·005179	193·1	
British West Indies	Dollar		·5747	1·740	(2)
	Pound		2·7584	·3625	(3)
	Dollar	British Honduras	·6896	1·450	
Brazil	Cruzeiro	Effective selling*			
		* Category 1	·00823	121·54	
		Category 2	·00684	146·27	tax 10% (4)
		Category 3	·00482	207·30	*May 29
		Official buying		18·66	(5)
Burma	Kyat		·2067	4·838	
Ceylon	Rupee		·2069	4·833	
Chile	Peso	Free	·002000	500·0	(15)
Colombia	Peso	Basic	·3936	2·541	(7)
		Free*	·2166	4·617	*June 20
Costa Rica	Colon	Official	·1753	5·705	
		Controlled free	·1482	6·748	
Cuba	Peso		·9841	1·016	tax 2% (4)
Czechoslovakia	Koruna		·1367	7·315	
Denmark	Krone		·1425	7·018	
Dominican Republic	Peso		·9841	1·016	
Ecuador	Sucre	Official	·06561	15·24	
		Free	·05311	18·83	
Egypt	Pound	Official	2·8258	·3539	(6)
Fiji	Pound		2·4851	·4024	
Finland	Markka		·004279	233·7	
France	Franc		·002812	355·6	(8)
French Africa	Franc		·005624	177·8	(9)
French Pacific	Franc		·01547	64·64	(10)
Germany	D Mark		·2343	4·268	
Greece	Drachma		·03280	30·49	
Guatemala	Quetzal		·9841	1·016	
Haiti	Gourde		·1968	5·081	
Honduras	Lempira		·4920	2·033	
Hong Kong	Dollar	Free*	·1674	5·973	*June 15
		Official	·1724	5·800	
Iceland	Krona	Official	·06042	16·55	
		Special buying	·04480	22·32	
		Special selling	·03530	28·33	(11)
India	Rupee		·2069	4·833	
Indonesia	Rupiah	Basic	·08666	11·54	(12)
Iran	Rial	Certificate	·01299	76·98	
Iraq	Dinar		2·7554	·3629	
Ireland	Pound		2·7584	·3625	
Israel	Pound		·5467	1·829	
Italy	Lira		·001580	632·9	
Japan	Yen		·002734	365·8	
Lebanon	Pound	Free	·3056	3·272	
Mexico	Peso		·07873	12·70	

* Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent June 21	Units per Canadian dollar	Notes (See below)
Netherlands	Guilder		·2569	3·893	
Netherlands Antilles	Guilder		·5177	1·932	
New Zealand	Pound		2·7584	·3625	
Nicaragua	Cordoba	Effective buying	·1491	6·707	
		Official selling	·1396	7·164	
Norway	Krone		·1378	7·257	
Pakistan	Rupee		·2069	4·833	
Panama	Balboa		·9841	1·016	
Paraguay	Guarani	Official	·01640	60·98	(6) (13)
Peru	Sol	Certificate	·05179	19·31	
Philippines	Peso		·4920	2·033	
Portugal	Escudo		·03434	29·12	(14)
El Salvador	Colon		·3936	2·541	
Singapore & Malaya	Straits dollar		·3218	3·108	
South Africa (Union of)	Pound		2·7584	·3625	
Spain & Dependencies	Peseta	Basic buying	·04493	22·26	
		Basic commercial selling	·05992	16·69	(6)
		Free	·02526	39·59	
Sweden	Krona		·1902	5·258	
Switzerland	Franc		·2297	4·354	
Syria	Pound	Free*	·2793	3·58	*May 15
Thailand	Baht	Free	·04747	21·07	(6)
Turkey	Lira		·3514	2·846	
United Kingdom	Pound		2·75844	·3625	
United States	Dollar		·98406	1·016	
Uruguay	Peso	Official	·6478	1·544	tax 6% (4)
		Principal buying	·5754	1·738	(6)
		Principal selling rates	·4686	2·134	
			·4413	2·266	
Venezuela	Bolivar		·2937	3·405	
Yugoslavia	Dinar		·003280	304·9	(6)

* Latest available quotation date.

notes

1. Argentina: additional rates result from exchange retentions on export proceeds and surcharges on imports.
2. Barbados, Trinidad, Tobago, Leeward and Windward Islands, British Guiana.
3. Bahamas, Bermuda, Jamaica.
4. Tax affects selling (import) rates only; certain essential imports exempt.
5. Brazil: currency certificates auctioned for five import categories. Effective selling rate is official rate of 18.82 to U.S. dollar plus price of certificate. Tax of 10 per cent applies to official rate (tax is 1.88 cruzeiros per U.S. dollar). Exporters receive cruzeiros at official rate plus exchange premiums ranging from 18.70 to 48.64 cruzeiros per U.S. dollar, depending on product. Three rates shown cover bulk of transactions for auction.
6. Additional rates are in effect.
7. Colombia: stamp taxes of 3, 10, 30, 80 and 100 per cent on imports depending on essentiality. The free rate applies to minor exports and less essential imports.
8. Includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
9. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
10. New Caledonia, New Hebrides, Oceania.
11. Iceland: special rates apply to minor export products of small fishing boats and designated non-essential imports.
12. Indonesia: basic rate applies to most exports and a few essential imports. Purchase of exchange for other imports is subject to surcharges of 50, 100, 200 or 400 per cent depending on products.
13. Official rate applies to exports and essential imports. For non-essential imports there is a surcharge of 25 Guaranis per U.S. dollar.
14. Portugal: approximately same rate for Portuguese Territories in Africa.
15. Chile: free rate applies to exports and to imports, except prohibited imports. Chilean importers must deposit local currency in amounts ranging from 5 to 200 per cent, depending on product, prior to shipment of goods.

Cyprus: the Trade Picture

Sales to Cyprus by Canada and many other countries rose in 1955, despite tense political situation on this Mediterranean island. Import controls restrict openings for dollar goods but opportunities in certain fields are worth attention.

M. R. M. DALE, *Commercial Secretary, Cairo.*

DESPITE THE DISTURBED POLITICAL CONDITIONS, commerce and industry on Cyprus continue to expand. The half-million inhabitants of this small island (3,572 square miles) are spending more money than ever before, and the demand for raw materials, industrial equipment, and consumer goods is growing. Although the relaxation in import controls was not extended to the dollar area, Canada shared in this increase in sales.

There are several apparent reasons for this increased business. Among them are :

- Spending by the armed forces and on a sizable military and civilian construction program.
- A comprehensive program of public works, estimated to cost some £55 million in 1956, and including improvements to harbours and airports, road-building and maintenance, increased water supply, etc.
- An active mining industry, with rising exports in 1955.

Imports and Exports Rise

In 1955, imports into Cyprus rose 30 per cent over 1954 to reach £30,420,487. This rise was most marked in building materials, mining and agricultural machinery, and tractors. Cyprus also imports foodstuffs, particularly meat and fish, dairy products, and cereals (including wheat). Other purchases comprise textiles and clothing, footwear and other leather products, petroleum products, fertilizers, paper and paper products, base metals, tobacco, and rubber products.

Sales of Cypriot products abroad increased by 10 per cent over 1954 and totalled £17,327,712. This increase takes on greater significance when one compares it with the 1948 figure of only £5 million. Over 50 per cent of the foreign exchange which Cyprus earns comes from sales of minerals, and especially pyrites, asbestos, and cupreous concentrates. For example, in the first three quarters of 1955, value of minerals exported totalled £8,286,000 compared with £6,953,000 for the same period of 1954. The remaining exports consist largely of agricultural products such as citrus fruits, carobs and potatoes, wines and brandies, grapes, wool, seeds, cotton, and tobacco.

Cyprus trades with over 70 countries but the United Kingdom supplies over 50 per cent of her imports and buys not quite 30 per cent of her exports. West Germany is her principal customer, but limits its buying almost entirely to minerals. Sales of wheat to Italy brought that country up to third position as a customer, followed by the Netherlands, France and the United States. Suppliers in order of their importance (after the United Kingdom) are West Germany, Italy, the United States, France, Australia, the Netherlands, India and Iraq.

Canada's Share Greater

Canada's trade with Cyprus fell from over £1·5 million in 1947 to only £17,000 in 1953 because of the imposition of import controls. However, sales of farm machinery, automobile spares and paper liners increased last year and these, plus a cargo of wheat, brought the total to £194 thousand. As a result of a visit by Canadian Wheat Board officials this year a further cargo of 10,000 tons of wheat was sold in February, thus assuring a continued increase in our trade for '56. Our purchases from Cyprus have not mounted but remain at about £10,000 a year.

At the moment, buying from the dollar area is only considered for highly essential commodities, not readily available elsewhere. None the less, the greater Cypriot purchasing power should not be overlooked by Canadian exporters of household equipment, lumber, farm machinery and tractors, fertilizers, and motor vehicles. These exporters should maintain contact with their Cyprus agents against the time when the dollar position improves. ●

Trade Lines

Where, what and how to sell in other countries are questions which the Commodity Officers, Trade Commissioners and other experts in the Department of Trade and Commerce can help you answer . . . their up-to-date information and advice on world-wide markets is yours for the asking.

JULY 21, 1956

foreign trade

ADA

AUSTRALIA ADJUSTS TRADE POLICIES (page two)

ANADA

foreign trade

Established in 1904

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The Right Honourable C. D. HOWE, Minister,
WM. FREDERICK BULL, Deputy Minister.

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cover Into the harbour of Sydney, Australia, come ships from all parts of the world, bringing in imports and carrying away Australia's primary agricultural and other products to distant markets. The present transitional stage in the Australian economy is affecting trade policies; new measures have been taken to cut down imports and boost export sales. For the complete story, please turn to page two.

Australia Adjusts Trade Policies

With phenomenal economic growth continuing, Government is taking steps to restrain demand, cut imports, and expand exports. Further import restrictions imposed in late June designed to cut back imports by A£40 million a year, but should not affect Canadian sales to any extent. Australian exports show encouraging rise, thanks to promotion by government and business.

J. C. BRITTON, *Commercial Counsellor, Sydney.*

THE BOOM CONDITIONS which have come to be accepted as an integral part of the Australian economy in recent years appear to be levelling off and demand is much more restrained than it was earlier in the year. The Australian economy is certainly in a state of transition. Growth over the past few years has been phenomenal; demand for goods and services has spiralled and has exerted great pressure on the available resources. Before the war, Australians were inclined to accept economic fluctuations as the normal pattern, but postwar developments have changed economic problems and concepts.

Demand Has Shifted

The Government moved in March to restrain demand by imposing increased sales taxes on passenger cars and petrol, putting an excise tax on beer, and increasing the company tax and sales taxes on essentials. At the same time, bank overdraft rates were permitted to rise from 5 to an average of 5½ per cent. Already money is much tighter, competition for available business is becoming more and more keen, and buyers are more selective as public demand shifts from luxury and high-priced items to essentials in the lower-priced fields. During the past few weeks the number of vacant positions requiring labour registered with the Commonwealth Employment Service has fallen steadily. At the same time, the Federal basic wage has increased by 10/– a week. Activity in home building has slowed down recently and business in general appears to have become much more competitive.

The forces which brought about the change in economic concepts are correctly attributed to internal rather than external factors as was the case in prewar years. Whatever else materializes from the present situation, it is perhaps not too much to say that the traditional Australian low cost-of-living pattern which successive Governments have endeavoured to maintain is a thing of the past.

Large Imports Continue

Provisional trade returns for May placed imports at A£72,100,000—an increase from A£68,100,000 in April, but a decrease from the A£80 million of March. For the first 11 months of the fiscal year 1955-56 imports totalled £757,900,000—about £10,600,000 less than the corresponding period in the previous year. The additional import restrictions which became effective at the beginning of October 1955 were expected to level off imports at the monthly rate of £55 million by the end of the fiscal year, June 30. But it soon became extremely doubtful whether the Government's target of £660 million a year would be reached by the beginning of July, and the press began to inquire whether the present quota levels were sufficient to cut imports to the annual target. It was expected that the intensified restrictions of last October would be felt in April but, for a variety of reasons, (including heavy ordering by importers for stock-building) their impact was not apparent even by early June.

On June 28, the Government of Australia announced further restrictions designed to reduce imports by A£40 million a year, although the full effect may not be felt in the fiscal year 1956-57, which began on July 1st. The cuts became effective on that date.

At the present rate of licensing, the total annual value of imports could reach A£700 million in a single

ar, the Acting Prime Minister asserted in introducing new measures. Their object, as expressed by an cial spokesman of the Department of Trade, is "to courage those developments which can be expected lead to a long-term strengthening of our external yments position".

e intensified restrictions affect hundreds of articles m non-dollar countries, and particularly fully embled motor vehicles, unassembled chassis, Scotch isky and imported cigarettes. Canadian exports to stralia—which are already confined to a rather rrow range of products—are only very slightly ected.

ports Also Increase

hile government officials are, with reason, pre-cupied with the continuing level of imports there encouraging news about exports, which increased bstantially from £78,100,000 in April to £90,-0,000 in May. This resulted in a trade deficit for e eleven months of the fiscal year of £47,700,000 -well below the deficit for the corresponding period the last year (£64,600,000). The Australian ive for export trade continues to gain momentum, th an increasing awareness among manufacturers of e essential need to increase exports. An institute of port has been organized, group marketing procedures r particular industries are being established, and the umber of industrialists visiting potential overseas arkets is increasing. Australian exporters are showing couraging interest in the Government's promotion forts and already exports of chemicals and medicinal oducts are increasing. So are overseas sales of elec-ical equipment, cigarettes and tobacco, timber and eepers, and engines and parts. Exports of petroleum products, farm machinery, earth-moving equipment, motor cars and trucks are rising steadily. Estimates for the 1955-56 wool cheque are set at about £320 million, or £32 million less than last year. Australia is looking for export markets for 126 million bushels of wheat in 1956 to stave off another increase in its wheat surplus. It is doubtful whether it will achieve this objective: experts forecast sales of about 100 million bushels for the year.

Promoting Export Trade

The Minister for Trade has announced that efforts to improve Australia's trading opportunities will not be restricted to trade with the United Kingdom. He has stated his intention of visiting Washington to discuss the implications of U.S. surplus disposal and aid programs for Australia's export trade. Trade negotiations with Japan are to begin shortly. In exploratory talks during the past few months, the Japanese and Australian Governments have discussed trade needs and difficulties and it is hoped that the problems will be solved to everyone's satisfaction during the discussions and will provide a reasonable basis for trade relations between the two countries. Australia's exports to Japan are now running at about £80 million a year, with Japanese exports to Australia currently at an annual rate of £25 million. The Minister of Trade will hold official discussions in Colombo and with governments in European countries—including Austria, West Germany, the Netherlands and France. The Minister also reported that he has received an invitation from the Czechoslovakian Government to talk about trade opportunities. He will accept this invitation if there appears to be a basis for advantageous discussions. ●

The Kwinana oil refinery, 17 miles south of Fremantle, was completed about 18 months ago; has a throughput capacity of three million tons of crude oil a year. Exports of petroleum products are now rising steadily.

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How Export Credits Insurance Works

What protection does export credits insurance give the exporter? What types of policy does the Corporation offer and what risks does it cover? How does this coverage help business to expand its foreign markets? In this eleventh article of our series on the techniques of export trade, we answer these and several other related questions.

A. W. THOMAS,
Assistant General Manager,
Export Credits Insurance Corporation.

EXPORT CREDITS INSURANCE is a vital part of any foreign trade enterprise. It is available to exporters in most major exporting countries and its purpose is to protect them against non-payment of foreign accounts.

The Canadian Government passed the Export Credits Insurance Act in 1944, and the Export Credits Insurance Corporation, a Crown Company, started operations in 1945. This development of a government-sponsored insurance plan did not represent any intrusion of government into the field of private enterprise —it merely provided a service which was not available from commercial insurance companies.

Export credits insurance recognizes the fact that, particularly when the transfer of the proceeds of export sales presents difficulties, there is no other means by which an exporter can cover his risks or even assess the risk properly. However, the Corporation was not intended to subsidize exporters but to enable them to compete with exporters in other countries who are similarly protected. In all cases, the exporter pays a premium for the insurance cover.

Types of Policies

The Corporation insures two main classes of business:

1. General commodities sold on short credit terms, or credit terms which are usual for the particular trade. These generally extend from cash against documents terms up to a maximum of, say, six months.
2. Capital goods sold on medium credit terms with payments ranging over a period of from six months to a number of years.

The General Commodities Policies are issued to cover an exporter's entire export sales for one year. For capital goods an individual policy is issued to cover each specific contract of sale insured.

General Commodities Policies

Two types of policies are issued to cover goods sold on short credit terms—the Contracts Policy and the Shipments Policy. The Contracts Policy protects an exporter from the time when he receives the order until he is paid; the Shipments Policy protects him from the date of shipment only. Both policies cover exactly the same risks and the only difference is the time at which protection begins. The Shipments Policy is designed for the exporter who does not need to protect himself against the risk of loss before shipment. If an exporter manufactures goods to particular specifications, or goods which are so marked or stamped that they are of no value except to the original buyer, then he should take out a Contracts Policy. This will protect him against his customer becoming insolvent or against anything else which may prevent the shipment of goods which could not easily be sold elsewhere.

Capital Goods Policies

Specific policies are issued to cover capital goods such as plant equipment, locomotives, ships, heavy machinery, etc., sold on terms extending from six months to a number of years. The Corporation issues an individual policy to cover each contract of sale. When he is selling capital goods, the exporter should approach the Corporation as early as possible during his negotiations with the foreign buyer. The reason is that the Corporation has to consider not only the nature of the

pment being sold and the financial standing of the ign purchaser, but also current conditions and the -range economic outlook in the importing country.

ks Insured

main risks of loss against which the Corporation ires are:

nsolvency of the foreign buyer.

ailure of the buyer to pay to the exporter within lve months after the due date the gross invoice value goods which he has duly accepted.

Blockage of funds or transfer difficulties which pre- t the Canadian exporter receiving payment.

War or revolution in the buyer's country.

Any other cause outside the control of both the orter and the buyer which arises from events urring outside Canada and the continental United tes of America—for example, the cancellation of an port licence or the imposition of import restrictions goods not previously subject to licence.

e Corporation does not cover trade disputes nor aight repudiation by the foreign buyer. This is one nt which exporters find difficult to understand. The rporation cannot accept the task of acting as an itrator between Canadian exporters and foreign yers in a dispute about the quality or quantity of ods delivered. If there is any dispute, it must be tled before the Corporation can consider a claim for s.

ockage of Funds or Exchange Transfer

e Corporation accepts risks in all countries where buyer, under the laws of the country, can pay for goods in Canadian dollars, U.S. dollars, or sterling ich is transferable to Canadian or American account. ne of the prerequisites for transfer insurance coverage that at the time the exporter accepts the order, the yer must have been able under the import and change regulations of his country to import and pay r the goods. If the buyer's country, before due date payment, puts through some law, order, decree or gulation which prevents the transfer of the necessary rrency, the Corporation will pay the exporter its are of the loss.

read of Risk

o obtain export credits insurance coverage an exporter ust, as a rule, insure his exports to all countries— cluding sales made against irrevocable letters of credit those paid for in advance. However, an exporter ay exclude the United States from his policy and still e eligible for insurance coverage, because he can obtain credit insurance from commercial companies for U.S. sales.

One of the basic principles of insurance is to have a broad spread of risk. If, for example, an exporter wishes to insure a particular shipment to Venezuela, then all shipments to Venezuela (excluding those made against irrevocable letters of credit) must be covered. Similarly, if he wants to insure shipments to Venezuela, then all countries to which he ships must be included in the policy. By maintaining a broad spread of risk, the Corporation can quote rates which are moderate.

During our eleven years' experience we have often found an exporter unwittingly attempting to select against himself. As an example, during the early days of our operation I was called into a meeting of top executives in one of Canada's oldest manufacturing companies to discuss the advantages of export credits insurance. The president asked me what our insurance covered and I told him "non-payment by foreign buyers". He then asked if the company could select the risks and exclude insurance cover on some of its older accounts. I told him that we required a broad spread of risk and could not allow exporters to select against us. The president then turned to the vice-president and said: "What is the sense of taking out insurance on Jean, José, or the Allens? Why, the Allens are the third wealthiest family in the country". Some years later, this "third wealthiest family" ran into financial difficulties and was unable to pay the Canadian exporter a substantial amount of money. Fortunately for this particular exporter, he did take out an insurance policy with us shortly after the initial discussions and his loss was fully protected.

Country selection can also be costly. Some of our first "political risk" losses were in countries which many exporters had requested us to exclude because they felt there was no risk. In fact, there is a real risk of loss on shipments to any country in the world.

Co-Insurance Principle Holds

Another basic principle behind export credits insurance is that of co-insurance. The Corporation pays up to 85 per cent of the amount of any loss under the terms and conditions of the exporter's policy; the exporter bears 15 per cent. In this way he retains an interest in the account and a restriction is placed on the indiscriminate or reckless extension of credit. Any recoveries made after payment of a loss are split 85 per cent for the Corporation and 15 per cent for the exporter. The Corporation expects its policyholders to continue their business on the same sound commercial lines under which they would operate if they did not have export credits insurance. The advantage to the exporter is that most of the loss element is removed and he is encouraged to expand his foreign trade.

The Corporation wishes to interfere as little as possible with an exporter's normal business and accordingly establishes a maximum amount in each policy, applicable to any buyer in any country covered by the policy; the exporter may extend credit up to this amount without reference to the Corporation. The only requirement is that the exporter must either have had previous favourable credit experience with the buyer or have obtained two up-to-date credit reports from independent reliable sources which justify his extending credit.

If the exporter wishes to extend credit to an amount greater than that set out in the policy, he then applies to the Corporation for approval. (See article on sources of credit information on foreign firms in the June 9, 1956, issue of *Foreign Trade*.)

Credit Check Safeguards Exporter

The Corporation has credit information on thousands of buyers in foreign countries and this information is brought up-to-date from a different source every six months. If the information is detrimental, policyholders who are shipping to the particular buyer are immediately informed. An interesting case concerned a buyer to whom a Canadian exporter had been selling for some time on a limited basis. However, the exporter developed a new product and sent samples to buyers in different countries. One buyer felt he could take $50,000 worth and sell it. To some extent he based his estimate on the import duty assessed on the sample. The exporter approached us for a $50,000 credit limit but, because of our own information, we refused to approve more than $25,000. This amount of goods was shipped and a short time later the buyer was assessed a substantial amount of extra duty. This happened after he had sold a quantity of the goods and he was placed in a bad financial position and became insolvent. The exporter suffered a considerable loss but was reimbursed for 85 per cent of it through his Export Credits Insurance policy.

Obviously, with the vigilance which the Corporation maintains in procuring up-to-date credit information from numerous reliable sources, when it refuses to accept a name submitted for a credit limit or to reduce the amount of the credit limit, it is performing a valuable service for the policyholder.

Export credits insurance is not intended to make the exporter careless in granting credit nor indifferent to the importance of employing a thoroughly trained credit executive. Not every business enterprise, of course, is large enough to justify the maintenance of a full time Credit Department, but every business must have someone whose duty it is to decide upon the financial and moral standing of the applicant for credit.

The function of export credits insurance is to protect against the unexpected and unpreventable loss incurred in spite of every precaution taken by the policyholder. No precautions can prevent the occurrence of each and every contingency which may arise. Death, business depression, calamities and many other casualties are beyond the power of credit men always to foresee with any degree of certainty, but they all contribute to the inability of the debtor to discharge his obligations.

Calculating Premiums

It is difficult to indicate even generally what the rate of premium per country may be for any particular exporter. Each exporter has his own markets, credit terms, problems and difficulties, and all of these must be considered in setting the rates. The premiums are based on the class or type of goods sold, the countries to which they are shipped, the credit terms, the volume of the exporter's annual sales, the spread of risk afforded to the Corporation, the exporter's previous loss experience, and many other factors.

Until the Corporation receives an application it is impossible to predict the premium rate for any particular country. However, the average rate of premium on risks underwritten for the eleven years the Corporation has been in business is less than 1 per cent, and premiums are allowed as proper deductions in determining the exporter's taxable income.

Rates of premium are strictly confidential between the exporter and the Corporation and so is the fact that he holds a policy. In making his application the exporter agrees that he will not discuss the policy nor any of its details with any other person or concern except in confidence with his bankers. It is impossible for the Corporation, for diplomatic reasons, to publish a schedule of rates or even to indicate how rates vary between different countries.

The premiums which the Corporation collects must be sufficient to produce enough revenue to cover operating expenses and probable losses; it is not out to make a profit but neither is it intended to subsidize export trade.

Applying for Policies

The exporter, in applying for export credits insurance, submits an application on a relatively simple form which sets forth the export sales he hopes to make during the next twelve-month period, in total and by country, and gives information on sales made during previous years. The Corporation then sends the exporter a letter of quotation with the premium rate for each country to which he ships and the terms and conditions under which the Corporation is prepared to insure his export sales. The application from the exporter is in reality an application for a quotation of

emium rates and creates no obligation on his part. e exporter is free to decide, after receiving the letter quotation, that he does not wish to use the facilities ered. If he accepts the letter of quotation he pays leposit of approximately 10 per cent of the estimated emium for the year. This is refunded to him when policy expires or is carried forward if he renews it.

e method of reporting export sales is simple. Before tenth day of each month, the exporter makes a claration of the contracts and shipments he has made ring the previous month and reports them, in total ly, by country. It is not necessary to list individual ipments to different buyers. He then calculates the emium at the rates set out in the policy and sends s payment with his declaration.

ss Payments

is only when a claim arises that the Corporation is ncerned with shipments made to individual foreign ayers. Then the policyholder must show that he has mplied with the terms and conditions of the policy.

enerally speaking, the Corporation covers losses ising from events outside the control of the exporter d the buyer. Losses are paid in accordance with e conditions set out in the policy—very broadly, as llows:

nsolvency—immediately after the insolvency occurs.

efault—twelve months after the due date of payment if by that time the debtor's insolvency has not been established.

oreign Exchange Transfer—six months after the due date of payment of debt.

ll Other Risks—six months after the occurrence of the event which causes the loss.

Jpon payment by the Corporation, the exporter is sually required to instruct his bank to assign to the Corporation 85 per cent of all recoveries obtained.

id in Financing

The Corporation will agree to pay to any bank the proceeds of any claim payable under a policy. Accordingly, the possession of an Export Credits Insurance policy should help an exporter in arranging his financing because he has insured one of his most important liquid assets and the collateral value of his foreign accounts receivable is enhanced. There are two main ways of assigning his insured accounts to his bankers—he can either assign an individual bill or he can make a blanket assignment of all his foreign accounts receivable.

Many of our policyholders arrange with their bankers that they will not ship any goods to foreign buyers without having Export Credits Insurance protection. On many large capital goods transactions, the banks will not finance a long-term contract unless the exporter has such a policy.

The Case for Credit Insurance

The case for credit insurance is that, by reducing the element of risk in the granting of credit, it lubricates the credit system which is of the very essence of trade and prosperity. The cover provided by credit insurance protects the profit and loss account of the insured, and it also protects his working capital which will not get tied up in bad debts and long overdue accounts. Thus credit insurance should make possible a larger turnover of business on the basis of a given volume of working capital. The businessman insures his plant, his stocks and his workers. The prudent businessman also insures his book debts. The cost of such insurance, at less than 1 per cent on the average, is low. Few businessmen would hesitate one moment in raising the commissions paid an agent from, say, 3 per cent to 5 per cent if that agent—of undoubted financial solidity—agreed to guarantee up to 85 per cent of any losses accruing through business which he places.

Cases in Point

Two examples will serve to show the value of export credits insurance to Canadian exporters.

An exporter who had done a relatively small volume of export trade before the Second World War but had geared his plant to high production during the war wished to do as much export business as possible to maintain maximum output. The firm realized that the domestic market could not absorb more than half of its production. The export manager knew he would have to compete with manufacturers in other countries and would have to meet the credit terms they offered. He told the Corportaion that he could sell the goods but he didn't want to worry about accounts receivable and that, once the credit manager had approved a credit limit on a buyer, he would go all out to sell that buyer the maximum amount of goods. He wanted his mind free to develop and maintain demand knowing that, in the event of any non-payment or transfer difficulties, his firm would be reimbursed and would be carrying only a small percentage of the loss. A policy was issued to this company—whose export volume had been running less than $1 million a year prewar—and during its third policy year it did a business of over $10 million. In fact, the firm has averaged better than $6 million a year since taking out an Export Credits Insurance policy.

Recently another exporter approached the Corporation to insure a $6 million contract he was negotiating. He told us that he would not take on the business without this insurance. After a thorough investigation the

Corporation agreed to insure and the contract was financed and shipments made. The Canadian exporter received payments of well over $1 million but suddenly the buyer's country ran into foreign exchange difficulties. Although the buyer made payments in local currency, his country was unable to convert the local currency into dollars and transfer them to Canada. The Corporation will pay this Canadian exporter 85 per cent of the amount of the unpaid debt if the dollars remain blocked.

All trade involves taking risks, and this is especially true of export trade, where it is more difficult to know the buyers well or to be conversant with trading conditions. To meet intensified competition in world markets, the exporter is finding that both the credit he must offer and the risks he must take are increasing. The knowledge that these risks can be insured with the Export Credits Insurance Corporation is often the factor which finally decides whether or not he accepts an export order. Export credits insurance is, therefore, a matter which every firm in export business should consider carefully.

Brazil's Exchange Auctions

how they affect imports

Faced with serious balance-of-payment difficulties, Brazil uses the exchange auction to limit dollar spending. Under this system, Canada's exports to this market have been seriously affected. Main Canadian opportunities at the moment lie in industrial raw materials and capital goods.

C. J. VAN TIGHEM,
Commercial Secretary, Rio de Janeiro.

BRAZIL, the largest republic in South America, with an estimated population of 60 million, has almost half the population of the continent living within its borders. Until recently it constituted a most attractive market for Canadian manufactured consumer goods but postwar developments have changed the trade pattern appreciably.

Brazil has undergone a tremendous industrial development in recent years—much greater than most Canadians appreciate. Industrial production has trebled since 1939. The country is now self-sufficient in many consumer products formerly imported and, as a result, the requirements of the market have changed. Manufactured consumer items once ranked high in the list of imports but now their place has been taken by imports of industrial raw materials and capital goods. Generally speaking, Brazil no longer offers a market for foreign-made consumer goods.

Auction System Introduced

In addition to this first limitation, which is structural and permanent, there is a second and temporary one which must also be considered. This results from the balance-of-payments difficulties which Brazil has faced in the past seven years. After several years of direct control of imports through the issue of import licences by a special Import-Export Department, a new system was introduced in October of 1953. Import licences are now granted automatically on presentation of exchange certificates which are sold at regular weekly auctions in the principal states. The auction system eliminates the danger of favouritism in the issue of import licences and provides that any importer can bring in any product, from any country, if he is prepared to pay the price.

The price an importer must pay for a product depends on the goods he purchases and the country he buys them from. All imported products are divided into five categories, according to how essential they are, and countries of origin are listed by currency areas.

Because the Government controls the number of Exchange Certificates issued, it can place a ceiling on the amount of any currency released to buy imports. Certificates can be used only for the category of goods and currency area for which they were issued.

At an exchange auction, the importer who wants to buy codfish from Canada may find himself competing for certificates with a firm planning to buy industrial raw materials from the United States. Both compete for certificates with other buyers of Category II goods who are also hoping to purchase within the U.S. dollar area.

The codfish importer would probably find the demand for dollar exchange pushing the premium for certificates too high for his purposes. He might then switch to the covenant dollar market. ("Covenant dollar" refers to those countries with which Brazil has bilateral trade agreements.) By doing this, he could buy exchange certificates to cover his codfish imports from Norway at a considerable saving.

Exchange Prices Fluctuate

The prices of exchange certificates fluctuate according to how much of each kind of currency the Government offers and with the degree of competition among importers to buy them. Highest prices have been paid for U.S. dollar certificates which cover imports from Canada and Switzerland as well as the United States.

The amount of U.S. dollar exchange offered at the auctions has been smaller in relation to exchange receipts than for any other country. Main reason for this is the need to conserve dollars for petroleum and wheat imports (30 per cent of total imports) which are outside the auction system. Brazil must also provide for amortization and interest payments on loans from the United States. In addition, a wider range of products is available from the countries included in the U.S. dollar area. Demand for these exchange certificates has been greater than for any other currency.

AVERAGE RATES PAID FOR EXCHANGE CERTIFICATES
MARCH 1956

	First Cat.	*Second Cat.*	*Third Cat.*	*Fourth Cat.*	*Fifth Cat.*	*Weighted Average*
U.S. dollars	74.30	140.25	204.01	261.93	282.18	107.05
ACL	70.40	119.84	139.66	283.82	305.32	103.59
Covenant dollars	59.25	62.51	78.46	86.60	169.17	69.24
Danish crowns	54.41	55.78	98.72	103.32	194.63	73.58
Swedish crowns	67.78	79.31	108.21	146.57	180.23	99.34
French francs	72.49	118.14	131.39	216.77	282.98	96.88

Note: ACL refers to the "limited convertibility area" which comprises United Kingdom, Germany, Belgium, the Netherlands and Luxembourg. "Covenant dollar" countries include Argentina, Austria, Bolivia, Chile, Spain, Finland, Greece, Hungary, Italy, Japan, Norway, Poland, Czechoslovakia, Turkey, Uruguay, Yugoslavia.

The effects of this brisk demand for U.S. dollars may be seen in the table below (left). It shows the average rates paid for exchange certificates in Rio de Janeiro during March 1956.

With the exception of the fourth and fifth categories ACL, the rate for U.S. dollars is higher than for any other currency. This situation prevailed throughout last year and is continuing. As a result, exports from Canada have been very seriously affected—our exports to Brazil declined from $45,095,944 in 1954 to $11,519,580 in 1955.

The Brazilian Market

What can be sold to Brazil at the present time? A look at our 1955 exports may prove helpful. This shows that the following products were the most important: malt, synthetic fibre thread and yarn, book-printing and lithographing paper, newsprint, agricultural machinery, aluminum, copper and nickel, telegraph and telephone apparatus, transformers, dynamos, generators, electric metres and other electrical apparatus, asbestos, refractories, lubricating oil and unexposed motion picture film. These are largely products in which we have a natural price advantage or hold a dominant position in the world supply picture. A large Canadian public utility company operating in Brazil also made appreciable imports of equipment. Such imports come in at a fixed cost for exchange and consequently can be imported from Canada as cheaply as from any other country.

Present indications are that the auction system for exchange certificates will be continued. In view of this fact, the prospects for export to Brazil do not appear encouraging. The higher cost of the U.S. dollar prices many of our products out of the market here. Importers can obtain similar products from Germany, France, Japan and other countries at a considerably lower price in terms of cruzeiros.

Branch Plant Possibilities

There is, however, a way in which some Canadian firms can still participate in this great market. That is through the establishment of a manufacturing operation in this country. A large proportion of the postwar industrial expansion resulted from the entry of European and United States capital. These firms have entered into arrangements to have their products manufactured here, either through a new company formed in conjunction with Brazilian capital, through a fully-owned subsidiary, or through a licensing arrangement.

To date, Canadian firms have not kept pace with their competitors in this field. However, they might wish to take a new look at Brazil to see if it would be in their interests to arrange for local manufacture of their product. ●

commodity notes

Argentina

LUMBER—The Argentine Ministry of Industry has officially announced that the state monopoly for the import of lumber, especially Brazilian pine, has ceased. A state organization known as CIFEN, authorized by the Direcion Nacional de Industrias del Estado, had a strict monopoly of the import and sale of lumber which was detrimental to private importers. CIFEN's 1955 profit was estimated to be as high as 31 million pesos. The stocks of this organization will now be liquidated and in future import permits will be granted to private importers and consumers—Buenos Aires, June 19.

Australia

WOOL—During the first nine months of the current financial year, Australia exported 811 million lb. of wool valued at £A227 million, according to the Australian Wool Bureau. This was an increase of 4 per cent in quantity and a decrease of £A32·4 million or 12 per cent in value, compared with the same period of the last financial year.

Sheepskins exported increased from 73,323,700 lb. last financial year to 75,922,644 lb. for the same period this year. The total value of £A11,918,760 last year declined to £A11,558,728 this year, a decrease of 3 per cent.

Japan expanded her purchases by 62 per cent, France by 18 per cent and Germany by 7 per cent. The United Kingdom reduced her imports by 11 per cent, the United States by 16 per cent, Italy by 10 per cent and Belgium by 7 per cent—Sydney, June 22.

Bahamas

SPONGES—After 18 years of enforced idleness, the Bahamian sponge market reopened last month. The large quantities of "reef" and "wool" sponges offered for sale when the government restrictions on sponge collections were relaxed clearly indicate that these varieties have shaken off the effects of the plague that destroyed the Colony's beds in 1938. Unfortunately, the valuable "velvet" sponges that used to be found in Bahamian waters have completely disappeared. Buyers from Detroit, Tarpon Springs and Chicago were present at the opening sales but most of the 54 lots offered on the first day were purchased by Nassau firms, presumably for overseas customers—Kingston, June 13.

Brazil

TRACTORS—Although the number of tractors in use in Brazil increased over the last five years from about 9,000 to 40,000, less than 2 per cent of the farms in this country use mechanical traction as against about 20 per cent using animal traction. Almost three-quarters of the combined animal and mechanical traction is located in the states of Rio Grande do Sul and São Paulo—Rio de Janeiro, June 18.

Israel

WHEAT—The Israeli wheat crop, it is reported, has yielded a record 80,000 tons, about 30 per cent of the country's requirements. Last year's crop, which was severely damaged by drought, produced only 16,000 tons compared with about 35,000 tons in 1954. This year's record crop, comprising both bread grains and some durum strains, was the result of increased acreage (110 thousand acres against 80,000 acres in 1955) and excellent growing conditions during the winter and spring. The aim of the Israeli authorities is to make their country 50-60 per cent self-supporting in bread grains by 1960. More land is being irrigated and cultivated, particularly in the northern Negev.

Since 1955, Canada has lost its place as Israel's main supplier of hard wheat to the United States, which is supplying Israel with wheat as direct aid or on long-term payment—Athens, June 6.

CITRUS FRUIT—Israel's total exports of 7,855 thousand cases of Shamouti Jaffas and Valencia oranges, grapefruit, and lemons during the season ended April 30 rose 800 thousand cases above the previous season's figure and were only 300 thousand cases less than the best postwar record, established in the 1953-54 season. An estimated one million additional

ses would have been available for export this year ad the crop not suffered from heavy rainstorms. he aim of the Israeli citrus producers is to reach e prewar export level of about 16,000 cases within e next few years by increasing plantings of new roves and improving cultivation methods.

During the past season the United Kingdom was gain Israel's biggest customer, taking almost three illion cases; West Germany, Sweden and Soviet ussia also bought substantial quantities. The Canaian market for Israeli citrus fruit, particularly affas and lemons, although still small, has expanded apidly from a trial shipment of 500 cases in 1953-54 nd 15,000 cases last year to an encouraging 278 housand cases during the season just ended. Citrus ruit exports account for about 40 per cent of Israel's otal export earnings—Athens, June 12.

amaica

COFFEE—One million specially prepared coffee eedlings are being grown in bamboo pots by the Department of Agriculture which will distribute hem to growers late this year or before the end of 1957. The Jamaican coffee industry has been expanding steadily over the past eight years and exports of coffee beans have risen from 3·6 million lb. in 1953 to 4·8 million in 1954. The Government's aim s to expand exports to about 15 million lb. a year—Kingston, June 21.

Japan

ALUMINUM—Heavy internal and overseas demand has prompted Japan's three leading producers of aluminum ingot to revise their production schedules sharply upward, according to a bank report. The target for 1956 ingot production is 65,200 tons, almost 10 per cent above that of the preceding fiscal year. Nevertheless, demand is outstripping production so fast that recently exports of ingot had to be suspended.

Demand seems to be centering on aluminum utensils for home use and as a substitute for copper in industry. Long-term prospects are for substantial growth in the domestic as well as foreign markets, particularly Southeast Asia. Expanding uses appear to be as further substitution for copper, as replacement for lumber, steel and other metals in the construction of buildings and rolling stock, in the aircraft industry and in commercial applications of atomic energy—Kobe, June 15.

STEEL—The Japanese Iron and Steel Federation reports that the production of iron and steel in the fiscal year ending March 1956 exceeded production schedules. Blast furnace pig iron production totalled 5,256,000 tons compared with 4,369,000 tons in the fiscal year 1954. Steel ingot advanced to 9,773,000 tons, an increase of two million tons over the corresponding period of the previous year. Rolled steel production in fiscal 1955 reached 6,884,000 tons, compared with 5,403,000 in the preceding year—Tokyo, June 18.

Malaya

TIN CONCENTRATE—Federation of Malaya tin miners set a postwar record in the first quarter of 1956 by producing tin concentrate containing 15,434 tons of tin metal. The tin metal content was 1·98 per cent greater than in the first quarter of 1955. The definite rising trend in tin production in the past five years is seen in the fact that production figures in the first quarter of each year have increased progressively since 1951—Singapore, June 11.

Sweden

PITPROPS—Sweden's export of pitprops has varied considerably during the past five years, mainly as a result of fluctuations in purchases by the United Kingdom and West Germany. In 1952, exports increased from 320 thousand to over one million cubic metres, solid measure; in 1953 they fell to 550 thousand, and in 1954 dropped further to 330 thousand. In 1955, despite small deliveries to the United Kingdom, exports increased to 440 thousand cubic metres.

During the last few years, shipments to the United Kingdom have declined considerably, from 625 thousand in 1952 to 360 thousand in 1953, 130 thousand in 1954 and to only 10,000 in 1955. On the other hand, deliveries to West Germany have increased from 118 thousand in 1953 to approximately 379 thousand in 1955—Stockholm, June 19.

Venezuela

AUTOMOBILES—Recent official statistics show a total of 238,310 automotive vehicles licensed in 1955, not including 59,336 motorcycles, bicycles, motor scooters, etc. No breakdown by makes is given but the types of vehicles in use are shown as 121,564 private cars, 23,102 taxicabs, 76,356 standard trucks, 3,027 miscellaneous trucks, 4,624 private station wagons, 8,996 buses and 641 demonstration vehicles. Among the 23 political subdivisions, the Federal District, which includes Caracas, has by far the highest number, 94,059; the neighbouring state of Miranda has 26,400. Thus about 50 per cent of all motor vehicles are registered in and around Caracas. The state of Zulia, centred on Maracaibo, comes second with a total of 32,169—Caracas, June 19.

U.S. Markets for Softwood Lumber

Sales of Canadian softwood lumber in Midwest States strong and growing; the South also is becoming important customer as building industry active and southern pine cannot fill demands made upon it.

THE SOUTH

THE SOUTHERN STATES themselves support a lumber industry which, although its disappearance was prophesied in the mid-thirties, still flourishes. It is based upon an estimated 85 million acres of southern pine—some 40 per cent of the South's commercial forest land—and currently provides one-quarter of U.S. lumber needs. According to the final figures, 1955 production of southern pine lumber in twelve southern states totalled 8,750 million board feet, 9·3 per cent higher than in 1954 and 13·9 per cent higher than in 1953. Canada bought about 2,963,000 board feet of southern pine lumber in 1954.

The pessimists who predicted the slow disappearance of the lumber industry in this area were wrong for several reasons. One is the development of scientific management of the forests and the prevention of exploitation. Another is the increasing mechanization of the industry, which means that all of a tree can be put to profitable use. A third is the rise of "tree farms", which certain progressive lumbermen started around the turn of the century. Today, according to a survey made by the U.S. Forest Service, the annual cut of southern pine saw-timber (trees of the size and quality to make lumber) in a twelve-state area is 22 per cent less than the annual growth.

Imports Still Needed

Production of southern pine, however, is far from sufficient to fill the demand for softwood in the South, and Canadian mills have an ever-increasing market there for their softwood lumber, particularly Douglas fir from British Columbia. According to reports I have received from railway companies handling shipments of Canadian lumber, exports of softwood lumber from British Columbia to the eleven states under the jurisdiction of this office were approximately 12 per cent higher in 1955 than in 1954 and there was no indication of slackening in the demand in the first quarter of 1956. The main reasons for this increase in demand for our softwoods in the South are first, the active building industry, resulting from the large increase in population and the industrial expansion; second, the fact that first-grade softwood lumber in the United States in general is rapidly being used up and local requirements for this type are and will be largely met through imports from Canada; and third, the expanding pulp and paper industry in the South which is taking a major share of southern pine production, leaving a gap to be filled by lumber imports.

There is every indication that the building boom in the South will continue, particularly in Florida and Texas. Canadian lumber mills can therefore count on a steady demand for their products in this area.

—A. A. CARON,
Consul and Trade Commissioner, New Orleans.

THE MIDWEST STATES

OF THE $369 MILLION WORTH of softwood lumber which Canada exported in 1955, $259 million worth went to the United States. A large proportion of it, chiefly from Western Canada, moved into Chicago and a great deal more was sold by Chicago brokers, commission agents and wholesalers for delivery largely in the U.S. Midwest, but also throughout the nation. Thus not only is Greater Chicago a major consuming market for Canadian softwoods—it is also a distribution point of first importance.

The great bulk of softwoods moving into the Midwest from Canada is made up of rail shipments from British Columbia and northwestern Alberta. Volume species are Douglas fir and hemlock planks and boards and cedar lumber and siding from coastal British Columbia, and western white spruce and ponderosa pine from interior British Columbia and adjoining areas of Alberta. Western softwoods go for the most part to the construction industry where large amounts are used in building houses.

Douglas fir and West Coast hemlock are in demand for structural members and studs where strength and stability are important. Spruce and ponderosa pine

re popular for sheathing and also for studding and ght structural members. Ponderosa pine is a favourite r interior trim and sash and door factories prefer it ecause of its fine working and finishing qualities.

Midwestern farms are strong and important markets or Canadian softwoods. Dealers report that farmers re willing to pay the price for good-quality building aterials.

Canadian softwoods also find their way into industry. Canadian white pine (Pinus Strobus) is the wood most esired by pattern-makers and much of our finest wood used in this way in the highly industrialized Midwest. Our species have a wide range of industrial uses, such s Douglas fir for chemical-resistant tanks and jack ine for crating and for pallet stock.

Demand for Canadian softwoods in the Midwest is trong and growing. Housing construction and remodeling are at healthy levels and seem destined for long-erm expansion. At the same time, domestic supplies re weakening. Southern yellow pine, once the all-purpose building wood of this area, is now almost unavailable in the Northern states. Remaining stands n the South have been devoted to the pulp industry or are supplying the rapidly expanding demand for umber in the producing areas. As time goes on, ncreased demand in the Pacific area will make it more difficult than ever to get as much lumber as required from the Pacific Northwest states. Canadian lumber should therefore obtain an increasing percentage of a growing market.

Channels of Trade

Channels of trade in the Chicago lumber business are not rigidly stratified. Most lumber is purchased direct from Canadian producers or wholesalers by large Chicago wholesalers and distributors. These firms then sell to retail yards, major building contractors, and large industrial accounts. However, some retail operators now conduct such a large business that they prefer to purchase direct from producers. On the other hand, a few of the largest wholesalers have opened retail yards. Some wholesalers act also as commission men and occasionally as brokers.

During the last few weeks, officers of the Trade Commissioner Service and the Forest Products Division, Department of Trade and Commerce, have corresponded with many Chicago lumber firms and have visited many more. The Canadian Consulate General in Chicago therefore invites inquiries from Canadian firms wishing to expand lumber sales in the Midwest. These should be addressed to the Deputy Consul General, Canadian Consulate General, 111 North Wabash Avenue, Chicago 2, Illinois.

—DAVID M. W. HUMMEL,
Office of the Consulate General, Chicago.

Mining Congress Coming to Canada

MINING ENGINEERS, metallurgists, scientists and others interested in mining and metallurgical progress in the Commonwealth will be journeying to Canada early in September 1957. On September 8th the Sixth Commonwealth Mining and Metallurgical Congress will hold its first session in Vancouver. Three days later the delegates will begin a tour of Canada that will last until October 8th. It will take them north to Dawson City, Whitehorse and Yellowknife, as far south as Niagara Falls, and as far east as Newfoundland.

On their journey they will visit practically all of Canada's best known mining developments and metallurgical plants. They will watch gold mining at Yellowknife, aluminum production at Kitimat, iron ore mining at Steep Rock and uranium mining at Blind River, asbestos operations at Thetford Mines, and metallurgical processes at Trail, B.C., and other points. Included on the itinerary will be Uranium City, Lynn Lake, Val d'Or, Knob Lake, Sydney, Bell Island in Newfoundland, and many other places. Technical papers will supplement the conducted tours and, en route, the Congress will hold meetings at Edmonton, Winnipeg, Toronto, Ottawa, Montreal, and Quebec City. The closing sessions will take place in Halifax, October 8th and 9th.

The tours and technical discussions combined will cover not only mining operations but also exploration for minerals, metallurgical processes, and the manufacturing and marketing of minerals.

The first Congress of this type was held in 1924 in Wembley, England, with the object of acquainting Commonwealth scientists with the mineral development and resources of the Commonwealth and keeping them abreast of technical progress and problems. Succeeding Congresses were held in Canada (1927), South Africa (1930), the United Kingdom (1949) and Australia (1953).

The Canadian Institute of Mining and Metallurgy is sponsoring this Sixth Congress and the federal government and the provincial governments have made substantial financial grants to it. The Rt. Hon. Louis St. Laurent, Prime Minister of Canada, has consented to be Honorary President.

Engineers, industrialists or scientists in any part of the Commonwealth who are interested in the Congress and would like further information about it should write to the Executive Secretary, Sixth Commonwealth Mining and Metallurgical Congress, 507 Metropolitan Bldg., 837 W. Hastings Street, Vancouver 1, B.C., preferably before September 1, 1956.●

75300—3½

Mexico's Chemical Industry Expands

With raw materials available, domestic demand rising, and exports developing, Mexico's expanding chemical industry appears to have a bright future. But large imports, especially of raw materials and certain ingredients, still needed.

MAX T. STEWART,
Commercial Counsellor, Mexico, D.F.

ALTHOUGH THE FLOURISHING MEXICAN CHEMICAL INDUSTRY increased its production tenfold between 1940 and 1950 and is maintaining this rate of expansion, the country is still a large market for imported chemicals, chiefly raw materials and ingredients.

The value of imports of chemicals rose between 1944 and 1954 from 150·4 million to 1,051 million pesos—$84 million at the current exchange rate. The United States supplies, on the average, 77 per cent of these imports. In fact, in recent years chemical products have constituted 12 per cent by value of all Mexican imports from the U.S. They can be broken down as follows: 18·7 per cent raw materials, 16·8 per cent drugs, 15·1 per cent synthetic resins, 12·5 per cent insecticides, 11·2 per cent antibiotics, and 5·1 per cent paints, varnishes and materials for the paint manufacturing industry.

Growth in War Years

The Mexican chemical industry found its feet during World War II. Between 1940 and 1944, the value of all domestic industrial production rose 159 per cent, and of chemical production 243 per cent. The number of plants in operation increased by 105 to 263, and the number of people employed from 3,000 to 10,000. Export markets were developed in Central and South America and in 1944 export sales amounted to $8·4 million, 43 per cent of the value of production. By 1946, chemicals had become the second most important industry in the country as an employer and the third largest from the point of view of investment.

IMPORTS OF CHEMICAL PRODUCTS

Year	*Value (millions of pesos)*	*Per cent of national imports*
1939	86·0	13·7
1945	170·4	10·6
1950	562·6	12·8
1953	656·0	10·8
1954	1,051·0	11·8

In 1952, the latest year for which detailed figures are available and when the exchange rate was 8·65 pesos to the dollar, Mexican imports of chemical products were:

	Dollars	*%*	*Pesos*
Insecticides and fertilizers	11,673,498	16·4	100,949,806
Insecticides	8,949,431	12·5	77,386,628
Fertilizers	2,657,412	3·7	22,986,613
Weed killers	66,655	·2	576,565
Detergents and raw materials for their manufacture	3,305,536	4·6	28,592,886
Drugs	19,920,118	28·0	172,309,020
Antibiotics	7,961,065	11·2	68,863,212
Drugs in general	11,959,053	16·8	103,445,808
Chemical products	36,252,878	51·0	313,587,392
Raw materials	13,263,477	18·7	114,729,076
Solvents	1,016,313	1·4	8,791,107
Synthetic resins	10,730,985	15·1	92,823,020
Colours	1,622,264	2·3	14,032,583
Paints, varnishes and materials (except solvents)	3,626,871	5·1	31,372,434
Primary derivatives of coal	1,156,741	1·6	10,005,809
Others	4,836,227	6·8	41,833,363
GRAND TOTAL	71,152,030	100·0	615,439,104

Between 1944 and 1950, the value of production rose 138 per cent—from 94·4 million to 225·0 million pesos—but imports increased still more rapidly in value—from 147·0 to 562·6 million pesos. Exports in those seven years rose in value from 13·3 million pesos to 44·8 million pesos. The number of operating plants grew from 263 to 330, and the number of people employed by the industry to 19,000.

brief resumé of progress in the various branches of Mexico's chemical industry follows:

Pharmaceuticals—Pharmaceutical products have become an important part of the chemical industry. Mexican plants, which in large part are subsidiaries of U.S. manufacturers, now are marketing pharmaceutical products worth well over $100 million a year. The number of laboratories in operation rose from 389 in 1950 to 400 in 1952, and the value of production from 23 million pesos in 1940 to 66 million in 1943 and 225 million in 1952.

• *Sulphuric Acid*—Mining of the vast deposits of sulphur in the Isthmus of Tehuantepec, which began in 1955, has led to the establishment of six new sulphuric acid plants in Mexico this year. The new plants will produce a total of 160 metric tons of acid a day. Production has grown from 57,500 metric tons in 1947 to 108,127 metric tons in 1954.

• *Sodium Alkalis*—Production of alkalis for the soap, oil refining, ceramic, paper, textile, vegetable fibre, rubber and other industries has lagged a long way behind the gradually increasing demand. Mexican plants are producing insufficient quantities of caustic soda, sodium carbonate, sodium bicarbonate, calcium hypochlorite, potassium chlorate, calcium carbonate, chlorine, and calcium oxide. Consumption of alkalis in 1954 reached 122,207 metric tons, but Mexican plants could supply only 22,322 metric tons.

The National Bank of Foreign Trade, a government agency, estimated that in 1955 consumption of caustic soda alone reached 47,000 metric tons, and anticipates that the demand will rise to 64,000 tons in 1960. Imports of caustic soda in 1954 totalled 25,452 metric tons.

• *Artificial Fibres*—Production of artificial fibres from cellulose, which began as late as 1947, doubled between 1949 and 1954 to a total of 13,311 metric tons, or 97·2 per cent of national consumption. Of this total, 7,211 tons were produced on a basis of acetate and 6,100 tons on rayon. Production of tire cord reached 1,500 tons in 1954 and imports are falling off rapidly.

• *Fertilizers*—To correct soil deficiencies in the 15 million acres of land under cultivation in Mexico, 1,169,750 metric tons of superphosphate, 210,550 tons of phosphoric anhydride, 1,117,850 tons of ammonium sulphate, and 248,400 tons of nitrogen are required every year, according to a study by the Bank of Mexico. Despite greatly increased domestic production, the quantity of fertilizer purchased abroad has mounted rapidly—from 15,474 metric tons in 1950 to 26,021 tons in 1953 and 58,097 tons in 1954. The following tables give production figures for Mexico's chemical and organic fertilizer industries from 1941 to 1954.

CHEMICAL FERTILIZERS

(metric tons)

Year	*Sulphate of Ammonia*	*Superphosphates*
1941	2,800	3,500
1950	3,000	15,462
1952	60,000	56,000
1953	64,223	62,977
1954	59,445	60,883

ORGANIC FERTILIZERS

(metric tons)

Year	*Bone Meal*	*Others*	*Formulas*
1941	4,600	600	12,500
1950	8,670	1,550	38,000
1952	5,000	16,500	....
1953	7,137	29,200	25,000
1954	7,216	1,530	32,074

Nacional Financiera, the government investment corporation, estimates that minimum emergency requirements call for the production of 325 thousand metric tons of fertilizer in 1956, but comments that expansion is financially difficult.

• *Insecticides*—Current annual consumption of insecticides includes 3,000 metric tons of DDT, 10,000 tons of B.H.C., and 2,000 tons of toxaphene. The market is supplied from domestic plants which process and pack imported materials.

• *Hydrogen Peroxide*—Production increased 52 per cent between 1953 and 1954, but imports continue to be large. By stepping up the capacity of existing plants, the industry this year will raise its output to 75 metric tons a month, which is about 85 per cent of current demand. Imports rose from 232 metric tons in 1948 to 566 tons in 1953 and 784 tons in 1954.

• *Coal Products*—Production of some mineral coal products, such as benzol and phenol, fell 16·7 per cent between 1953 and 1954, but ammonium sulphate was up. The inauguration last year of a new coking plant has provided derivatives which are leading to greater production of benzol.

• *Anhydrous Sodium and Sodium Sulphate*—Supply problems of the paper and glass industries were in large part solved by the greater output of anhydrous sodium which climbed from 8,076 metric tons in 1953 to 10,500 tons in 1954. The domestic demand for sodium sulphate—15,000 in 1955—was completely satisfied by national production.

Future Prospects

Recently completed studies indicate an expanding market for Mexico's chemical industry at home and abroad. Numerous raw materials, as yet undeveloped for use on an industrial scale, are available. The National Bank of Foreign Trade has commented on the abundant supply of sodium chloride, sodium

carbonate, magnesium salts, and calcium in its natural state. Much greater production of alkaline substances therefore is possible.

Adequate deposits of coal have been fully explored. The use of petroleum and refinery gases for the development of the petrochemical industry should not be long delayed, in the opinion of the Bank of Mexico.

Official sources and the industry itself are aware of a certain lack of financial and technical resources for more rapid development; growth is retarded also by the fact that for some chemical products there are only limited markets at the present time. There is no doubt that the administration will assist and applaud every new development of the chemical industry as a whole and will particularly welcome foreign capital.

transportation notes

Egypt Establishes Free Zones

EGYPT, situated on the vital maritime route linking the East and the West, occupies a strategic geographical position. It is natural, therefore, that the authorities should consider an expansion of existing commercial and industrial free zone facilities and should encourage foreign manufacturers to use these facilities. Last year, an Egyptian official mission visited eight European countries and studied their customs organizations. The mission also investigated the free port systems in use in Hamburg, Trieste, and Goteborg.

At present, there are free zones in Alexandria, Port Said, and Suez. According to the Egyptian regulations, private or public free zones may be created for storing domestic or foreign goods in transit; for sorting, cleansing, mixing, repacking and reshaping of goods; for industrial operations required for the assembling of goods; for industrial operations required for the assembling, finishing, construction and repair of cars, lorries, tractors and aircraft, the principal parts of which are imported, and also for any other industry which does not compete with local plants.

Regulations and Rates

Users of free zones enjoy a number of privileges. Import duties and formalities do not apply on goods imported into the free zones nor on articles, materials and machinery imported for enterprises located in the free zones. However, foreign goods for personal use consumed there are subject to import duties. Goods exported or re-exported from free zones are not subject to export tax, with the exception of the share of local products originally subject to such tax which are used in making them. Goods manufactured in free zones and consumed in these same zones for personal use have to pay duties only on the value of the foreign content. Establishments in free zones are also exempt from tax on commercial and industrial profits deriving from sales abroad. Special arrangements are made for foreign exchange receipts and disbursements, and the maximum percentage of foreign employees and the salaries paid to them are regulated. Because the free zones are closely connected with transit trade, the use of the special facilities also apply to such trade. Free zones are under the control of customs officials and inspectors, whose salaries, etc., are paid by the enterprises occupying these zones.

The following rates of duties are collected in Egypt for occupying sites and customs warehouses used as free zones. These rates will remain in force until the end of 1956:

(1) 225 milliemes* per square metre per year for sites for construction of warehouses for storing.

(2) 150 milliemes per square metre per year for vacant land for the construction of installations for transforming goods.

(3) 100 milliemes per square metre per year for vacant land to be converted into workshops for industrial operations.

* £E1=100 piastres=1,000 milliemes=$2·8428 Can.

reduction of 25 per cent on these rates is allowed free zones in the Suez Customs area.

ilities in Alexandria

a temporary measure, an area of 13,000 square tres is available in Alexandria as a free zone to re goods in transit or for simple manual operations. veral applications have been received from pharmautical, canning and clothing enterprises and from cold rage establishments. An important ball-bearing comny has recently applied for a free zone in Alexandria ere it will maintain a stock to meet the needs of the ddle East countries. However, to satisfy all applints an area of 40,000 square metres appears to be eded. After the transfer of all the oil installations in Alexandria customs area to Mex City, it will be ssible to create another large free zone. (The free ne system applies automatically to shipyards for pairing of ships.)

ie Ford Motor Company has had since 1950 a private lustrial free zone in Alexandria covering 25,000 uare metres. Ford is carrying out the assembling d preparing of American and English trucks and actors from completely knocked-down material. It so stores in transit Canadian, United States, United ngdom, French and German passenger cars in its e zone depots.

ie British Motor Corporation recently transformed assembling plant in Alexandria under the free zone gime. Its present capacity is about 500 passenger rs per year and may be increased to reach 1,500 cars r year.

rt Tewfik and Port Said

n area of 10,000 square metres within the boundaries Port Tewfik, at the southern end of the Suez Canal, as turned into a free zone early in 1955. It will be ssible to enlarge this area up to 40,000 square etres. Storing of goods in transit, sorting, cleansing, ixing, repacking and reshaping of goods, as well as mple industrial operations, are allowed in this area.

number of applications have been received from iips' chandlers and establishments desiring to install frigerating rooms and these applications are being xamined by the Egyptian authorities.

he commercial free zone in Port Said is becoming iore and more active and is an integral part of the greement between the Egyptian Government and the uez Canal Company. It was seriously affected by artime restrictions and by competition from Beirut.

dabiya Port, near Suez, which was created during ie last war for the British troops, is expected to have n industrial free zone where industries covering furniure making, hides, spinning and weaving of cotton and the preserving of food may be established. Several Egyptian companies have applied for space in this proposed free zone.

—M. R. M. DALE,
Commercial Secretary, Cairo.

Canada

SERVICE TO VENEZUELA—Saguenay Terminals are extending their service from the Great Lakes to Venezuela to include calls at Maracaibo, Curaçao, and Guanta, effective with the sailing of the S.S. *Suningrid* from Toronto on June 9. Saguenay Terminals are placing three ocean-laker vessels on the Toronto-Montreal-Maracaibo-Curaçao-Puerto Cabello-LaGuaira-Guanta run—Ottawa, June 26.

Cuba

TRAILER FERRY SERVICE—Discussions and negotiations are under way for the establishment by the Pan American Freight Company (an American firm) of a ferry service connecting West Palm Beach and Havana. The ferry would carry refrigerated trailers for fruits and vegetables. The operators plan to put two 4,000-ton vessels on this service, registered under Cuban colours. The trailers will be mounted on flatcars and arrangements are being worked out with the Cuban railroads to move the trailers to the main market centres—Havana, June 14.

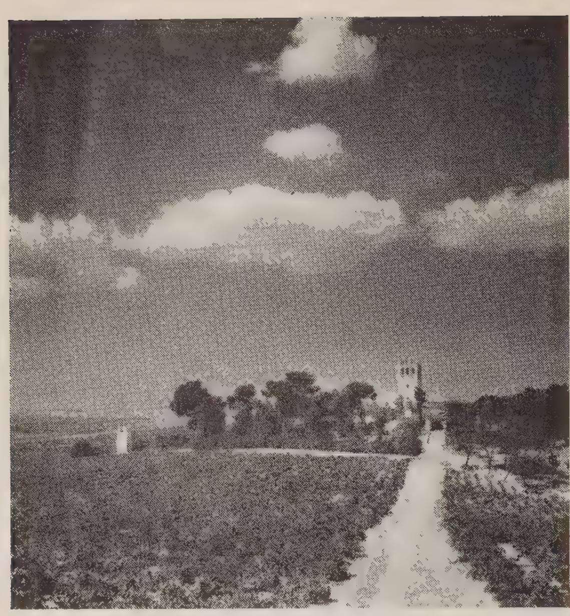
Indonesia

NATIONAL SHIPPING—The Ministry of Communications has announced that a twelve-man commission has been formed to draft a bill on national shipping and a bill for the regulation of freight and passenger rates in Indonesia—Djakarta, June 19.

HARBOUR EXPANSION—The Government has allotted 30 million rupiah for an improvement program for the Tandjong Priok harbour near Djakarta; it will take four years to complete. The No. 3 quay will be lengthened and a new quay built to handle tankers. The contract has been awarded to a French construction company—Djakarta, June 15.

Venezuela

SHIPPING—Compania Anonima Venezolana Navigaçion has announced the termination of its regular shipping service between Canadian and Venezuelan ports. The company's ships freed by this decision will be used for a new service to Central America, and to improve the service between ports in the southern United States and La Guaira—Caracas, June 15.



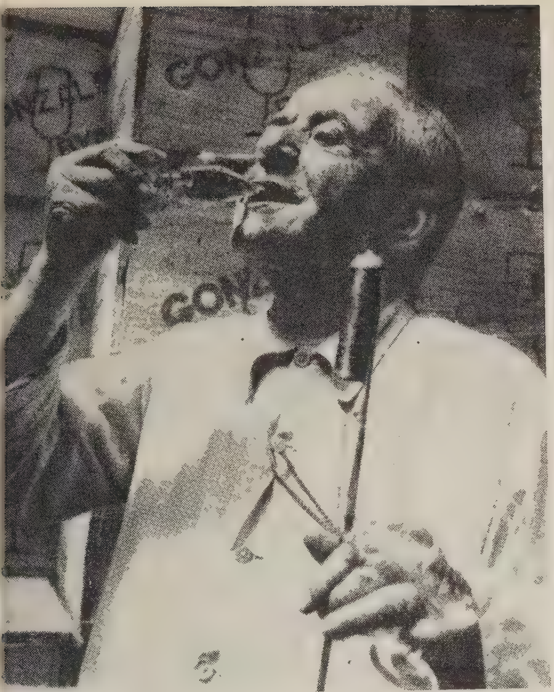
Sherry from Spain

BRUCE I. RANKIN,
Commercial Secretary, Madrid.

SHERRY, one of Spain's most important exports, is also one of its oldest and most honoured industries. There is a saying that when Drake attacked Cadiz in 1587, his principal objective was to carry off 3,000 casks of sherry. Today Great Britain still favours Spanish sherry and last year bought 160 thousand hectolitres of Spain's total exports of 246 thousand hectolitres. From her sales abroad in 1955 Spain earned 31 million gold pesetas—approximately $10 million. Canadian imports increased to 2,718 hectolitres (compared with 1,132 hectolitres in 1954), worth approximately $200 thousand. Spain's principal customers in 1955, and the quantities they bought, were: United Kingdom and Northern Ireland, 159,263.00 hectolitres; Sweden 12,336.06; United States, 11,552.01; Denmark, 10,003.93, and Eire, 9,471.84.

All Spanish sherry is produced in the little Province of Cadiz (only 22,000 acres), and the city of Jerez de la Frontera is the heart of the industry. (A typical Jerez sherry estate is shown in the photograph top left.) Traditional methods of cultivation, carried out entirely by hand, are faithfully followed in the Jerez vineyards. Four important tillings take place during the year: the deserpia in October to collect the autumn rain around the roots; the cava-bien in February or March, when the soil is tilled to a depth of about eight inches to soften it; the golpe-lleno in May to eliminate weeds; the bina in July, again to eliminate weeds but also, by packing down the surface of the white clay soil, to preserve the humidity and save the lower part of the roots from drying up. The vintage normally begins in the first fortnight of September.

After the grapes are harvested (the picture below is a typical harvesting scene), they are pressed by the workers who dance on them in leather shoes studded with nails. This produces the finest must, called yema. An inferior must, called prensa, is obtained by pressing the pulp a second time with heavy wooden blocks.

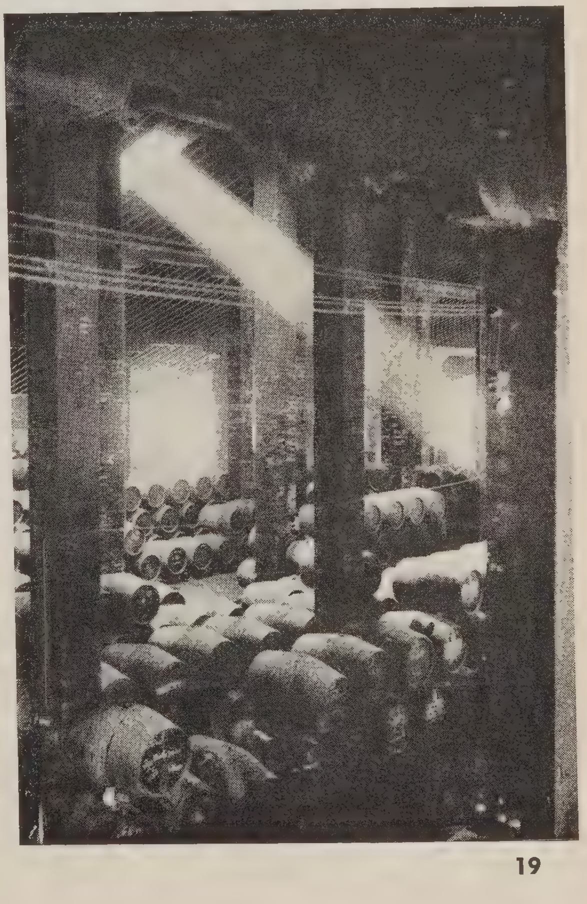


After the pressing, the wine is placed in maturing casks to gain age and smoothness. A year or two later, the almost magical testings begin. The art of testing wine is in many cases passed from father to son, and these experts, like the one in the picture above, judge the wine by its aroma. When the wine has been classified it is ready to enter the solera system. A solera consists of a series of tiers of casks (perhaps three or four) in the lowest row of which reposes the mother wine—the sherry par excellence. The new wine is placed in the top row of casks in its particular solera, and as the wine is drawn little by little in equal quantities from each of the casks in the lowest row, it is replaced from the tier of casks immediately above. In this way, after a number of years, the newer wine joins the older mature wines. Special wine storehouses, called bodegas, house the soleras (see photograph lower right). These spacious buildings have been so constructed and roofed with tiles and esparto mats to maintain a moderate temperature inside, even though outside the thermometer may reach 130°F. in the sun. There are some 700 bodegas in the area of Jerez de la Frontera, 200 in Puerto de Santa Maria and 300 in Sanlucar.

The curious solera system explains why there is such a profusion of brands of sherry: each solera holds a different type of wine. It also accounts for the fact that sherry retains its stability and style over the years. When we speak of a solera of 1836 this does not mean that the wine has been ageing since then—it would probably be unpalatable—rather, it means that the tiers of casks in which the wine has aged date from that year. "It is the cask, not the grape, which makes the wine", the Jerez wine shippers say. •

Basic Types of Sherry

- *Fino—Topaz colour, almond flavour, sharp aroma; so sensitive that in spring a film of vegetation forms on the surface of the stored liquid.*
- *Amontillado—More aromatic and more amber in colour than the fino, although basically an older fino; hazel nut flavour, leaves buttery taste on palate.*
- *Oloroso—Dark gold, almost ruby; more body than other types and leaves slight taste of sugar on palate.*
- *Dulce—Blackish red, dense and thick, tastes of ripe grapes. Grape that produces this sweet sherry was originally brought from Rhineland.*
- *Manzanilla—The finest of the sherry wines and the most fragile. One secret of its mellowing is that the casks are kept less full to allow the Atlantic sea air to circulate freely. When fino sherry is taken from Jerez to Sanlucar on the coast it becomes manzanilla; when manzanilla is brought to Jerez it becomes fino.*



Markets for Seed Potatoes

Canada's exports of certified seed potatoes exceeded 2·5 million bushels last year. Uruguay and Argentina took 586 thousand bushels and were largest South American market; Southeastern United States an important part of our U.S. market, purchasing 1,452 thousand bushels. What are the prospects for 1956-57?

SOUTHEASTERN UNITED STATES

CANADIAN SHIPPERS OF SEED POTATOES still have a favourable market in some Southern States, particularly those on the Atlantic seaboard to which the Maritime Provinces can ship directly. The territory covered by our office in New Orleans includes eleven states, from North Carolina to Texas. An estimated 95 per cent of the Canadian seed potatoes exported to the South are planted in North Carolina, South Carolina, Georgia, Florida, Alabama and Tennessee. The States of Mississippi, Louisiana, Arkansas, Oklahoma and Texas have not, in the past, shown much interest in the Canadian product because of higher transportation costs than for seed from Idaho, the Dakotas and Minnesota.

Potato acreages in the eleven Southern States reviewed, according to the U.S. Department of Agriculture figures, are as follows:

State	Annual Average 1944-53	1954
	Acres	
North Carolina	63,000	39,000
South Carolina	17,100	11,000
Georgia	12,000	5,000
Florida	30,000	33,400
Tennessee	27,000	15,000
Alabama	37,000	25,200
Mississippi	16,000	7,100
Arkansas	24,000	9,000
Louisiana	23,200	11,300
Oklahoma	12,000	3,000
Texas	35,100	19,000

Although the Southern States produce only small quantities of potatoes for seed and obtain most of their requirements elsewhere, this does not mean that Canadian exporters necessarily have a potential market in each of these states. Most sales of Canadian seed potatoes are made in areas which are served directly by ship and can use shipload quantities. A survey of the eleven Southern States indicates that the Atlantic coast area, because of the varieties preferred and port facilities, offer the best prospects to Canadian exporters. Tennessee and Alabama are the farthest inland points where one can sell Canadian seed potatoes entering southern ports and they buy smaller quantities.

In the other Southern States there is not sufficient demand for Canadian varieties to arrange for cargo shipments from the Maritime Provinces to Gulf ports. Most seed potatoes planted in the mid-South and Texas originate in Idaho, the Dakotas and Minnesota.

Varieties for the Southeast

The varieties preferred in the Southeastern States where Canadian seed potatoes are sold are:

State	Varieties Preferred
North Carolina	Bliss Triumph, Katahdin, Sebago
South Carolina	Katahdin, Russet, Sebago, Cobbler
Georgia	Cobbler, Sebago, Green Mountain
Northern Florida	Sebago, Kennebec, Bliss Triumph, Red Pontiac
Southern Florida	Red Pontiac, Bliss Triumph
Tennessee	Cobbler, Sebago, Chippewa
Alabama	Russet, Bliss Triumph, Sebago

Canadian Sebagoes are very much in demand in the Carolinas where approximately 75 per cent of the plantings of this variety last season came from Prince Edward Island. The remainder originated in New York State, Maine, and Nebraska. One broker in Charleston, South Carolina, states that he imported 80,000 one-hundred-pound bags of Prince Edward Island Sebagoes this season for the Charleston area and for inland points in the Carolinas, Georgia and Tennessee.

Most of the P.E.I. Sebagoes for these states entered by the port of Charleston this year. Their average wholesale price at that point was $2.90 for a 100-lb. bag compared with $3.75 for United States seed of the same variety. The planting season is from January 20 to the end of February, and shipments should reach Charleston during the first week of this period.

The Hastings area in northern Florida uses Sebagoes almost exclusively and offers our shippers the best

market in the Southeast. Last season, the Sebago acreage in this area was 15,000 acres; an estimated 90 per cent of this acreage was planted with P.E.I. seed imported through Jacksonville. The preference for Sebagoes in this area is partly the result of the large proportion of the crop used by the potato chipping industry, which prefers this variety. Two brokers handle imports of Canadian seed potatoes through Jacksonville and between them they brought in about 420 thousand 100-lb. bags last season. From Jacksonville shipments are sent to Hastings and other points in north and central Florida. Growers in South Carolina, Georgia, and Alabama bought a smaller proportion.

Size, Quality, Packing

In the whole Southeast the preference is for size A potatoes (3 to 10 ounces), but there is a very small demand for size B in Tennessee and Alabama. Buyers of seed potatoes expect freedom from disease, high yield and good appearance. Importers and growers have great confidence in the Canadian inspection service and no one complained about the quality of Canadian seed potatoes sold here last season. New 100-lb. bags are the only containers acceptable for shipment to this market.

Competition and Prospects

No foreign country, except Canada, ships potatoes to the Southeastern States, but Canadian exporters have to meet the competition from domestic producers in the northern states. The rate of duty under the annual quota of 2·5 million bushels is 37½ cents for 100 pounds. The duty is partly offset by lower sea rates on Canadian potatoes compared with higher rail or truck rates on shipments from Northern States to the Southeast.

Under present circumstances, Canadian seed potato exporters should maintain a good volume of sales in this market. However, they should follow closely changes in market requirements and supply only high-quality products.

—A. A. CARON,
Consul and Trade Commissioner, New Orleans.

This Uruguayan farmer proudly displays a tray of Katahdins which he has just dug. The certified seed potatoes which produced these fine-looking potatoes came from Canada.

URUGUAY-ARGENTINA

DURING THE PAST SEASON, October 1955-January 1956, Argentina and Uruguay imported more than 26,000 metric tons (955 thousand bushels) of seed potatoes. Canadian producers, shippers and/or exporters participated either directly or indirectly in a very high percentage of this business, making it one of their most active seasons in recent years in this area. For the coming season Uruguay is again expected to import substantial quantities of seed but Argentina —for lack of foreign exchange and following the pattern of recent years—is not expected to authorize seed potato imports. The imported varieties distributed by Uruguay's Official Seed Service are expected to remain about the same as last year—i.e., two-thirds Kennebec and the remainder Katahdin and Pontiac.

Uruguay

Uruguay has for many years regularly imported seed potatoes from North America—usually Canada. The Official Seed Service estimates the minimum quantity of the desirable North American varieties required to maintain its seed stock and purchases this quantity on tender for resale to producers. A high percentage of the crop derived is used in turn to plant the second crop of the year, which is sold mainly for table use. Last season over 200 thousand sacks were imported, distributed as follows: 135 thousand Kennebec, 45,000 Katahdin, 25,000 Pontiac and 1,000 Cherokee.

Each year the Government also allocates foreign exchange for the import by private traders of several

thousand tons of seed potatoes for use in the production of table potatoes. Uruguayan producers reportedly are willing to pay a premium of up to 15 to 20 per cent for the officially imported North American varieties over the prices of competing European seed. This seed is usually of the Up-to-Date variety grown in Denmark or the Netherlands. In most years, however, the c.i.f. prices of Up-to-Date are more than 15 to 20 per cent lower than for Canadian seed potatoes and hence the private traders normally import their requirements from Europe. This year a poor harvest in northern Europe led to high prices, whereas North American prices were relatively low. Furthermore, the Kennebec variety has gained exceptional popularity in the last few years because of its very considerable resistance to the prevailing strains of late blight. For these reasons, all but a few thousand bags of the seed imported by private trade (approximately 80,000 bags) were purchased from Canadian exporters; the great majority were Kennebec.

The early part of the present growing season was dry, the Uruguayan crop has been slow in developing, and little information is available about its progress. The condition of the seed upon arrival was exceptionally good, however, reflecting the excellent growing conditions in Canada last year and the greater care taken over size requirements—an important factor in this market. The few preliminary reports which have been received about the condition of the crop have been satisfactory and, barring a sudden heavy attack of late blight or unseasonable frost, a good normal crop is expected.

The prevailing policy of authorizing the import of seed potatoes through both official and unofficial channels is not expected to change. Imports by the Official Seed Service will probably follow the varietal pattern of last year, with possibly a slightly greater proportion of Kennebecs and a slightly smaller proportion of Katahdins requested. The actual quantity imported will be influenced, as always, by the availability of foreign exchange and the level of prices and ocean freight. The source of private imports will be determined to a large degree by the relative c.i.f. prices of North American and European seed. At present the Uruguayan Government is considering a plan to revise its exchange rate structure rather drastically. Should the plan be adopted, there is a possibility that imports of seed potatoes would cost up to two or three times in pesos what they have been costing in recent years. Such a change would undoubtedly influence adversely the quantity of seed potatoes that we might expect to ship to Uruguay during the coming season.

Canadian exporters interested in this market need the services of a responsible, active agent to ensure that all details of their bids meet the rather exact specifications set forth by the Official Seed Service. These are usually announced early in August and bids called for early in September.

Argentina

Argentina has also been an important buyer of Canadian seed potatoes for the past twenty years, and has used them mainly for the propagation of seed for later crops. Imports have fluctuated widely year by year, however, ranging from nil to almost 1·3 million bushels. During the last five years, and mainly because of Argentina's chronic shortage of foreign exchange, imports of seed potatoes have been authorized only twice—in 1953 and 1955. In each case they have been substantial, however, totalling over 800 thousand bushels for the two years. The most noteworthy difference in imports in the two years was the drop of over 30 per cent (3,500 tons) in the quantity of the Katahdin variety requested. This reduced demand for Katahdin may be expected to continue because it is being replaced to a considerable extent by a locally grown variety named Huinkul.

White Rose, which is grown largely under irrigation in the western production zone, enjoys a preferred position in the Argentine potato market mainly because of its very light skin and regular, typical shape. Normally it commands a price premium over other varieties including Huinkul and hence import demand for it should not alter very much.

In the limited trials to which it has been subjected in Argentina so far, the Kennebec variety has not proved very successful except in the Rosario zone, where late blight is always a threat to the summer-sown crop. It is not expected, therefore, that a demand will develop for this variety to anything like the same degree as in Uruguay. Nevertheless, the resistance to late blight under Argentine conditions should ensure it a more important place in future Argentine imports than it received even in 1955, when it accounted for only 2¼ per cent of the seed imports.

In previous years the Argentine state trading organization (I.A.P.I.) has imported seed potatoes on a call for tenders. The policy of the new Argentine Government is to reduce state intervention to a minimum and I.A.P.I. is in process of liquidation. Hence, it is not known how future seed potato imports will be handled. Since there appears to be little if any possibility that imports of seed potatoes will be authorized this year, this presents no immediate problem. However, because future purchases might be turned over to private importers, the need for an active, reliable import agent in this market has become even more important. ●

—W. F. HILLHOUSE,
Agricultural Secretary, Buenos Aires.

The Venezuelan Market for Fish and Fish Products

Canadian exporters shipped over $417 thousand worth of fish and fish products to Venezuela during 1955. Demand is increasing but immediate business opportunities are restricted mainly to canned salmon, fishmeal, and dried salt cod.

A. G. KNIEWASSER,
Assistant Commercial Secretary, Caracas.

CONTINUED PROSPERITY and a rapidly growing population are resulting in an increasing demand for fish and fish products in Venezuela. Total consumer income is now at a record high and is expected to increase sharply in response to the heavy expenditures which oil companies here will make on their new petroleum concessions.

The per capita fish consumption is still low, however, in relation to the standard of living and to rates of consumption in other Latin American countries. The modernizing of the domestic fisheries and the improvement of refrigerated transport and marketing facilities are receiving attention. In addition, Venezuelans are gradually including more fish products in their diet as quality improves. The process is steady but slow and the greater consumer purchasing power expected next year will probably not mean any exceptional increases in the overall demand.

The following table gives Venezuelan fish imports by type during 1954 and 1955. Total disposable consumer income is estimated to have increased by some 8 per cent during this period; total fish imports increased in volume by roughly 11 per cent.

The Venezuelan Industry

Venezuelan waters abound with many varieties of tropical fish suitable for eating fresh or canned. The domestic fishing and fish-canning industry has not, however, prospered in recent years. The basic difficulties are low per capita consumption, a shortage of cold storage and refrigerated transport, and the fishermen's resistance to new fishing methods. As a result, the bulk of the catch is sold fresh for premium prices in the principal cities which lie close to the coast.

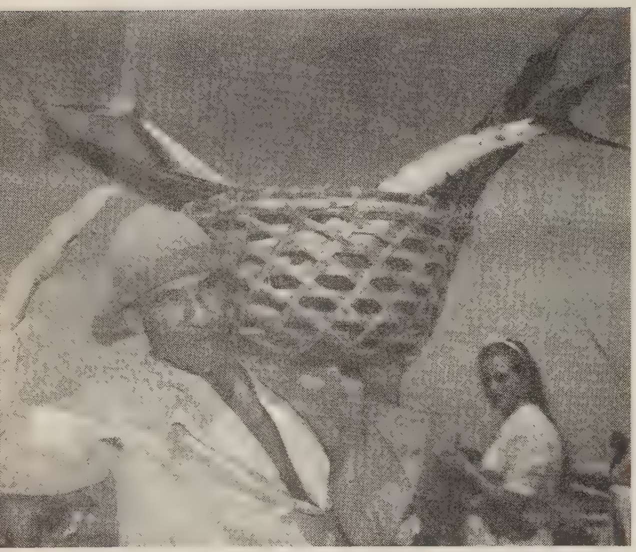
The fish canning and processing industry suffers from high production costs. There are usually abundant supplies of small tropical fish of the family "Clupeidae" which are known here as "sardines" but demand, at the prices which the industry must charge for the canned product, is not sufficient to maintain operations at anything near capacity. The Venezuelan Government has made several attempts to find export markets for canned "sardines" but has made no sales so far. The current retail price in Caracas of a 130-gram tin of Venezuelan quality sardines, in olive oil, is the equivalent of 18 cents.

The Venezuelan Government has placed a high duty, Bs.2.00 per gross kilo (roughly 27 cents per gross pound), on all fish imports and is considering a number

Venezuelan Fish Imports

	1954 12 Months (in gross kilograms)	1955 12 Months (in gross kilograms)	1955 Principal Suppliers (in per cent)	
Dried salt cod	720,840	779,274	Norway	91
			United States	4
Canned tuna	322,800	394,015	Portugal	45
			Spain	17
Canned salmon	226,627	200,763	Canada	60
			United States	40
Dried salt herring	23,888	30,423	Netherlands	42
			United States	26
Other herring	39,320	75,951	United States	39
			Canada	31
Canned sardines	15,129	19,183	United States	60
			Portugal	28
Dried salt sardines	2,992	2,940	Portugal	77
			Italy	21
Shellfish	135,875	159,001	United States	64
			Spain	24
Cod, except dried salt	7,231	9,366	Spain	63
			United States	20
Caviar	3,474	2,345	United States	68
			Russia	20
Fishery products, unspecified, except dried salt fish	159,373	204,292	Spain	23
			Canada	22
Unspecified dried salt fish	101,064	83,998	United States	56
			Spain	19
Total	1,758,613	1,961,551		

Source: Venezuelan Ministry of Development.



A Venezuelan fisherman bears home his catch after a day at sea. Although Venezuelan waters abound in fish, shortage of cold storage and refrigerated transport limits the market, and imported canned and salt fish are usually in good demand.

of other measures to assist the fish canners. There has been some progress, but it is understandably slow in this land of oil prosperity and high costs. Some useful steps towards modernizing the fishing fleet and increasing refrigeration facilities have been taken.

Canadian Sales Increase

Fish exports from Canada to Venezuela were valued at $65,135 in 1954 and at $131,902 in 1955. Almost the entire increase was the result of the availability and larger shipments of canned pink salmon from British Columbia. And our fishmeal business here grew from $49,520 to $285,209 during this period.

The following table outlines exports in volume and value over the past two years:

CANADIAN FISH EXPORTS TO VENEZUELA

	Volume (in cwt.)		*Value (in $)*	
	1954	*1955*	*1954*	*1955*
Canned salmon—pinks	1,572	3,562	40,053	114,231
Canned salmon—chums	612	292	15,123	7,183
Canned salmon—cohoe	10	85	270	3,702
Canned salmon—sockeye	....	22	....	543
Total canned salmon	2,194	3,961	55,446	125,659
Heavy salt cod	247	280	4,940	5,434
Canned lobster	32	4	4,979	809
Total fish	2,473	4,245	65,365	131,902
Herring meal	6,600	29,889	48,220	234,815
Fishmeal n.o.p.	200	5,575	1,300	51,394
Total	6,800	35,464	49,520	286,209

Venezuela is currently importing canned salmon at the rate of some $250 thousand a year. Canadian exporters secured $55,446 of this business in 1954 and $125,659 last year. Improved agency arrangements and a willingness to extend terms have been important factors in these improved sales. The main demand is for pinks, although there are some sales of chums and, to a lesser extent, cohoes. Most leading salmon canners are now represented by efficient local agents and, provided that they remain competitive with United States suppliers for the rest of this year, some further sales increases can be expected. All canned fish products must be registered with the Ministry of Health before commercial shipments are made.

Dried Salt Cod from Norway

Although Canada supplied Venezuela with only $5,434 worth of dried salt cod during 1955, this is Venezuela's largest single fish import, with total requirements estimated at about $550 thousand a year. Demand stems mainly from the working class, many of whom are recent immigrants from Europe, and from small hotels and boarding houses catering to them. The principal supplier is Norway which at present has 90 per cent of the total market.

Canadian dried salt cod has been offered at as much as 25 per cent below Norwegian quotations, but sales have still not increased significantly. Consumers here prefer the large white Norwegian fish which is considerably dryer than the Canadian product. Norwegian exporters, too, offer terms ranging up to 60 days after arrival of the goods in Venezuela.

Tuna Industry Established

Another substantial import is canned tunafish. Total imports in 1954 were worth approximately $300 thousand; Portugal supplied roughly 45 per cent of this amount and Spain about 17 per cent. Imports of tuna might well decline, however, in future. Tuna in considerable numbers are found in Venezuelan waters, and a Japanese company, in co-operation with local capital, has an experimental deep-sea fishing boat in operation. More boats may be imported from Japan and a tuna-canning industry established.

Packaged Frozen Fillets

A fairly recent development, which is restricted mainly to the large urban markets in Caracas and Maracaibo, is the import, principally from the United States, of packaged frozen fillets. Precise import figures are not available but the business is believed to total about $30,000 a year. Some Canadian exporters are participating in this trade through export brokers in New York. Attempts to arrange for direct shipments have not been successful, mainly in view of the small quantities required in each shipment and the credit risk.

Canadian exporters increased their fishmeal sales here from $49,520 in 1954 to $285,209 in 1955. This business depends mainly on the level of domestic production and on relative Danish and Norwegian prices.

Fishmeal is imported mainly for the animal feeds industry: demand is growing but domestic producers are also increasing output. In October 1955 the Government permitted, for the first time, the taking of sardines off the coast of eastern Venezuela for processing exclusively into fishmeal. Until then the three producers at Cumana had been severely handicapped by regulations which permitted them to process offal only. At the present time, all sardines taken must first be offered to canners. If supplies exceed the demand for canning, the remainder can move freely into the fishmeal industry. However, several animal feeds producers prefer imported meal because of its high protein content. There is thus some likelihood that this business will continue, possibly on a smaller scale.

Market Outlook

Although prosperous business conditions and the growing disposable consumer income provide the basic conditions for an interesting market, the customs tariff of 27 cents per gross lb. and consumer preference for Norwegian-type salt cod restrict business opportunities mainly to canned salmon and fishmeal. Canadian exporters are now securing 60 per cent of the salmon business and almost all of the imported fishmeal market. The next twelve months may witness some small increases in our sales of canned salmon and possibly dried salt cod. In fishmeal, we will do well to maintain our present share of the market in the face of keen competition from domestic and Scandinavian suppliers. ●

trade and tariff regulations

Australia

IMPORT RESTRICTIONS IMPOSED—The Australian Government has announced new restrictions on imports from non-dollar countries effective July 1, 1956. These are designed to reduce imports by £A40 million annually. Most non-dollar import controls in Australia are administered on a quota basis. The new restrictions apply, in particular, to goods which are subject to quota. Among the goods affected by the new restrictions are assembled motor vehicles, whisky, floor coverings, fish and many other consumer goods. In addition to the controls being intensified, a number of changes are being made in the administration of the controls.

Imports into Australia from dollar countries are also subject to restriction. These import licences, however, are usually issued on an individual basis for the various products. *Imports from dollar countries are not affected by the restrictions which came into effect on July 1.*

British West Indies

TRADE LIBERALIZATION ANNOUNCED—The Minister of Trade and Commerce made the following announcement in the House of Commons on July 2, 1956, regarding relaxation of import restrictions in the British Caribbean:

"I take pleasure in announcing a trade development in the British Caribbean which will further assist Canadian exports to that area. We have now been informed that *the British Caribbean countries will place apples, leaf tobacco, chemical fertilizers and calcium carbide under World Open General Licence effective today, July 2, 1956.* This means that these products will henceforth be permitted import from Canada without restriction. These products are of importance to many Canadian exporters. With this further liberalization, a large proportion of our exports to the area are now completely free of restriction.

"Honourable members will appreciate that we have over the years maintained close and continuing consultations with British Caribbean countries and the United Kingdom with the object of developing our trade with that area to the greatest extent possible. In these circumstances this additional measure of trade liberalization is especially welcome and will serve to further strengthen the close and traditional commercial ties which exist between those countries and Canada. In 1955 Canadian exports to the area amounted to $42 million. These exports are increasing this year. With the new federation which is

emerging in the British Caribbean, we look forward to a further expansion of mutually advantageous trade."

The official notices issued by the local government authorizing this liberalization will be published when they are received.

Honduras

TRADE AGREEMENT SIGNED—According to an announcement by the Right Hon. C. D. Howe, Minister of Trade and Commerce, a trade agreement between Canada and Honduras was signed at Tegucigalpa, Honduras, on July 11. Mr. H. A. Scott, Canadian Ambassador to Cuba, the Dominican Republic and Haiti signed the agreement on behalf of Canada.

This agreement, which is the first to be concluded between Canada and Honduras, is for an initial period of one year from July 18 and will continue in force automatically thereafter. As a result of this agreement Canada and Honduras will now exchange most-favoured-nation treatment with respect to customs duties and related matters.

Mr. Howe pointed out that Canadian exports of wheat flour, canned salmon and sardines, upper leather and rubber tires will now be placed on an equal footing with United States exports of similar products. Among the Honduran products which will benefit from reduced rates of duty when imported into Canada are bananas, grapefruit and coconuts. Bananas constitute about 90 per cent of our imports from Honduras.

Complete details of the Honduran tariff changes resulting from this agreement may be obtained from the International Trade Relations Branch.

Iran

IMPORT CONTROL REGULATIONS ANNOUNCED—The Government of Iran has announced the import control policy for the period beginning March 21, 1956, and ending March 20, 1957.

Under the new regulations all imports and exports for the current licensing period have been put, as far as foreign currency is concerned, in a single class. Foreign exchange arising from exports and sold to authorized banks shall be bought by the latter at a uniform rate; second category exchange rates have been eliminated.

For the year 1956-57 all authorized commercial imports shall be divided into two classes: essential and non-essential commodities. No quota figures have been allocated to individual items considered as essential but the total quota allocation of such commodities has been fixed at Rials 4,000 million. The value of non-essential commodities must not exceed the amounts allocated to each item as stated in the quota lists. (The Iran Rial equals 1·307 cents Canadian at the current rate of exchange.)

Bank Melli Iran is bound to open documentary credits and settle documentary bills covering non-essential goods provided that the respective quota allocations have not been exhausted and the requisite foreign exchange is available.

If in the course of this period it becomes apparent that the quotas provided do not meet the country's needs, the Ministry of Commerce may, with due regard to availability of exchange, the economic situation and the need for protection of home industries, raise the amount of the quotas.

Essential commodities of interest to Canada include: milk, powdered, condensed, in slabs, unsweetened; industrial chemicals; patent and non-patent medicines; cod liver oil; medicinal preparations; hides, raw; patent leather, black; motor car, lorry and tractor tires and tubes; solid vehicle rubber tires; paper manufactures; books, newspapers and periodicals; catalogues and samples; printed matter; kitchen stove and heating stove wicks; steel strips, squares and sheets; iron and steel manufactures of every description; copper tubing; zinc spelter; lamp chimneys; hurricane lanterns; kerosene stoves, cooking stoves with or without wicks; industrial and agricultural machinery; refrigerating equipment and refrigerators; electrical instruments and apparatus; radio and television receivers and spares and fittings; transformers and their spares; auto cars, ambulances, lorries and chassis of every description; spares and fittings for lorries and motor cars.

Non-essential goods which enter into Canadian export trade to Iran include: vegetable or hydrogenated fats, edible and non-edible; cement; paper napkins; artificial silk yarn; nylon, perlon and other artificial fibres; fabrics made of nylon, perlon or other similar materials; iron and steel hardware; pens, pencils and fountain pens of every description and spares; plastic powders, grains and liquids; pipes, bars and sheets for plastic product manufacture.

Complete information on the new Iran import control regulations is available from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

New Zealand

TARIFF REDUCED ON CERTAIN VENEERS—New Zealand has announced a reduction in the tariff rates for veneers under one millimetre in thickness, effective June 20, 1956. The British preferential rate is reduced from 20 per cent ad valorem to 3 per cent ad valorem (applicable to Canada), and the most-favoured-nation rate from 35 per cent ad valorem to 15 per cent ad valorem plus 22½ per cent of the duty.

The rates of duty on other kinds of veneers main unchanged at 20 per cent ad valorem under e British preferential tariff (applicable to Canada), nd at 35 per cent ad valorem under the most-voured-nation tariff.

Veneers continue to be subject to an import cence when coming from scheduled countries (hard urrency countries), but are exempt from import cence when coming from non-scheduled countries soft currency countries).

weden

OLLAR IMPORT LIBERALIZATION EXPANDED –Effective July 1, 1956, Sweden enlarged the list f products which may be imported from Canada and ther dollar countries freely without an import cence. Most of the newly liberalized products had reviously been granted licences freely, provided ayment was made in so-called "transit" dollars, or f they were purchased via a non-dollar country. This measure expands significantly the Swedish iberalization list which was originally implemented n October 1954, and creates a more assured basis or trade in the products affected.

The list of newly liberalized dollar items contains he following goods which appear to be of interest o Canadian exporters:

Fresh halibut
Salted (also dried) fish other than sprats, mackerel, herring, or sardelles
Spiced or salted (pickled) or sweetened fish other than sprats, herring or sardelles
Smoked fish
Fish roe, salted or otherwise prepared
Oysters, not canned
Shellfish other than lobster or deep sea shrimp, not canned; mussels
Intestines (casings)
Flaxseed
Linseed oil, crude, and linseed oil acid
Powder, rouge, face cream, toilet waters, perfumes and other similar cosmetics
Fur skins
Furriers' goods (manufactures of fur skins)
Paper pulp
Newsprint
Silver, unmanufactured
Sheets, tubes and wire of precious metals other than gold. Other manufactures of silver (other than for technical purposes)
Industrial diamonds
Pig iron
Primary aluminum
Primary nickel
Scrap of base metals
Anodes
Tires and inner tubes for use in the manufacture of automobiles
Photographic cameras, projection apparatus and parts thereof
Manufactures of artificial plastic materials other than slabs, sticks, tubes or hose
Toys and indoor games
Imitation jewellery other than of gold, silver or platinum.

On the other hand, fertilizers were removed from the list of liberalized dollar imports—Stockholm, July 5.

Detailed information on individual commodities may be obtained from the International Trade Relations Branch of the Department.

West Germany

CUSTOMS TARIFFS REDUCED TEMPORARILY—Effective July 1, 1956, German customs duties on most imports were reduced on a temporary basis for the period ending December 31, 1957. The reductions will be based on the rates existing on July 1, including rates on which concessions were granted under the GATT at earlier conferences, as well as some 1956 concessions. Some existing temporarily reduced rates will also be reduced further. The scale of reductions is as follows, with certain exceptions to which reference is made below:

1. Rates from 4 per cent to 16 per cent of the value of imports to be reduced by 20 per cent of the duty.

2. Rates from 17 per cent to 27 per cent of the value of imports to be reduced by 25 per cent of the duty.

3. Rates of 28 per cent and more of the value of imports to be reduced to 21 per cent of the value.

The fractions of the tariff rates reduced pursuant to (1) and (2) above shall be eliminated up to four-tenths and increased to full figures from five-tenths.

The above-mentioned reductions do not apply to agricultural products. However, a separate list has been published which provides for reductions in the duties on some agricultural commodities during the same period. For example, the duty on sea fish fillets is reduced from 10 per cent to 5 per cent, on fresh lobsters from 40 per cent to 25 per cent, on various canned meats from 22 per cent and 25 per cent to 16 per cent, on certain canned vegetables and on jams, jellies and marmalades from 35 per cent to 30 per cent. The 5 per cent duty on tomato purée in large containers is suspended.

In the non-agricultural sector, the following products are specifically excluded from the reductions: pig iron, glucose, lactose, casein, dextrins and vegetable glues prepared from starch or gluten. Moreover, special provisions were made for certain industrial products, including bleached and dyed horsehair (from 2 per cent to 1 per cent), medicinal cod liver oil (from 15 per cent to 12 per cent), spermaceti (from 6 per cent to 4 per cent). The duties are suspended on motor and electrical pumps for liquids without measure mechanism; on metal-working machine tools valued at 10,000 marks or more each; on machines for petroleum boring and other deep boring; on heavy haulage machinery for open pit mining; on electric generators, motors and

rotary converters weighing over one metric ton, and on transformers weighing over 10 kilograms, etc.

Information about the effective German rates of duty on individual items may be obtained from the International Trade Relations Branch.

West Germany

ADDITIONAL DOLLAR IMPORTS LIBERALIZED —In *Foreign Trade* of July 7, 1956, it was reported that the German authorities had just enlarged the list of dollar products which may be imported into Western Germany free from quantitative import restrictions. Details are now available on this measure, the fourth step of this kind taken by Western Germany since February 1954.

The new list came into force on June 19. It adds many raw materials and consumer goods to those which in the past were admitted into Western Germany without an import licence. It also includes various foodstuffs. With these additions, the list of liberalized dollar imports is very extensive and under it German importers will have practically the same freedom to buy from dollar countries as from countries belonging to the Organization for European Economic Co-operation. However, import licensing requirements still apply to some important Canadian export products, including cereals, primary aluminum except scrap, synthetic rubber and polystyrene.

Among the dollar products which were liberalized on June 19, the following appear to be of interest to Canadian exporters:

Fresh, chilled or frozen herring, cod, haddock, mackerel, halibut and other salt water fish, but *not* including flounder and plaice
Salted or dried cod, halibut and haddock
Shelled eggs, egg yolk, liquid or frozen, edible
Dried eggs, powdered or not, edible
Dried apples and pears
Alsike clover seed
Poultry fat for human consumption
Whale oil and whale fat, for human consumption, not purified
Fats and oils of fish or marine animals, other than liver oils, for human consumption, not purified
Canned lobster
Tomato juice
Cigarettes, cigars and prepared tobacco
Hard coal
Coke of mineral coal or lignite
Iron oxides and iron hydroxides containing 70 per cent or more by weight of iron oxide
Polyvinyl chloride
Artificial sausage casings of reclaimed cellulose
Piping and tubing of unhardened vulcanized rubber, not combined with other materials
Conveyor belts and transmission belts of unhardened vulcanized rubber, not combined with other materials
Complete sets of tires and tubes for bicycles
Aircraft tires not requiring inner tubes
Fur garments, new
Wood flour
Blocks, strips, friezes and panels for parquet flooring
Wooden beadings and mouldings of a kind suitable for furniture, frames, panelling or the like
Wooden picture frames, mirror frames or the like
Felt and wool felt paper and paperboard
Floor coverings with a backing of paper or paperboard
Articles of paper or paperboard, coated or impregnated with tar, asphalt or bitumen
Artificial staple fibre (not synthetic) except acetate staple fibre
Felt in the piece, even if impregnated, coated or covered
Linoleum and similar floor coverings, on a textile base, whether or not cut to shape
Wicks for lamps, stoves, lighters, candles or the like, woven, plaited or knitted
Felted woven fabrics with multiple warp or weft, in the piece or endless, whether or not impregnated or coated, of a kind suitable for paper-making or for use in machinery or plant
Knitted, netted or crocheted fabrics, in the piece
Rubberized fabrics of textiles of all kinds, knitted, netted or crocheted
Shoes, unlined, of a kind suitable for agricultural or industrial wear
Articles of asbestos other than brake or clutch linings
Certain sheets of alloyed steel and of high-speed steel
Primary copper
Aluminum foil, plain or embossed, whether or not cut to shape, perforated, coated or printed, of a maximum thickness (not including backing) of 0·15 millimetre
Finely divided powder and flakes of aluminum
Primary cobalt
Parts and spares for ploughs
Passenger automobile chassis fitted with engines
Slide fasteners of materials other than base metals.

Information about the status of individual goods in Germany's dollar import liberalization may be obtained from the International Trade Relations Branch.

Tours of Territory

H. E. CAMPBELL, Canadian Trade Commissioner in Kingston, Jamaica, will visit Nassau for several days beginning August 4.

G. F. MINTENKO, Acting Canadian Trade Commissioner in Bombay, India, will visit Calcutta and Madras late in July or early in August.

M. P. CARSON, Trade Commissioner in Singapore, will visit Rangoon, Burma, and Bangkok, Thailand, July 24-August 7.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible.

Day-Old Chicks by Air

Recent air shipments of day-old chicks from Britain to Tanganyika have proved successful. Packed in specially designed, well-ventilated boxes, the chicks were flown in to improve local poultry stock in an effort to combat a protein deficiency in the African diet. Only 21 of the first 1,000 chicks shipped died en route; within an hour after landing at Dar-es-Salaam, the chicks were placed in brooders.

foreign trade service abroad

*** No Foreign Trade Officer at this post.**
Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Territory	Officer	City Address	Mail and Cables, Office Telephone
Argentina	C. S. Bissett, Commercial Counsellor	Canadian Embassy, Bartolome Mitre 478, BUENOS AIRES	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 33-8237
Argentina Paraguay, Uruguay	W. F. Hillhouse, Agricultural Secretary		
Australia (Capital Territory, New South Wales, Queensland, Northern Territory) Dependencies	J. C. Britton, Commercial Counsellor for Canada Commercial Secretary	City Mutual Life Building. 60 Hunter Street, SYDNEY	*Mail:* P.O. Box 3952 G.P.O *Cable:* CANADIAN *Tel.:* BW 5696
Australia (Victoria, South Australia, Western Australia, Tasmania)	R. W. Blake, Commercial Secretary for Canada	83 William Street MELBOURNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* MU 4716
Belgian Congo Angola, French Equatorial Africa	K. Nyenhuis, Canadian Government Trade Commissioner	Forescom Building, LEOPOLDVILLE 1.	*Mail:* Bôite Postale 373 *Cable:* CANADIAN *Tel.:* 2706
Belgium Luxembourg	T. J. Monty, Commercial Counsellor K. G. Ramsay, Assistant Commercial Secretary J. R. Roy, Assistant Commercial Secretary	Canadian Embassy, 35 rue de la Science, BRUSSELS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 11-33-88
Brazil	Commercial Secretary H. M. Maddick, Commercial Secretary	Canadian Embassy, Edificio Metropole, Av. Presidente Wilson 165 RIO DE JANEIRO	*Mail:* Caixa Postal 2164 *Cable:* CANADIAN *Tel.:* 42-4140
Brazil	Consul and Trade Commissioner G. F. Osbaldeston, Vice Consul and Assistant Trade Commissioner	Canadian Consulate, Edificio Alois, Rua 7 de Abril 252, SAO PAULO	*Mail:* Caixa Postal 6034 *Cable:* CANADIAN *Tel.:* 36-6301
***Ceylon**	Office of the High Commissioner for Canada	6 Gregory's Road Cinnamon Gardens, COLOMBO	*Mail:* P.O. Box 1006 *Cable:* DOMCANADA *Tel.:* 91341
Chile	L. D. Burke, Acting Commercial Secretary	Canadian Embassy, 6th Floor, Av. General Bulnes, 129, SANTIAGO	*Mail:* Casilla 771 *Cable:* CANADIAN *Tel.:* 64189
Colombia Ecuador	W. B. McCullough, Commercial Counsellor A. P. Savard, Commercial Secretary	Canadian Embassy, Avenida Jimenez No. 7-25, Office 613, BOGOTA	*Mail:* Apartado 1618 *Airmail:* Apartado Aereo 3562 *Cable:* CANADIAN *Tel.:* 30-065
Cuba	G. A. Browne, Commercial Secretary	Canadian Embassy, Edificio Ambar Motors, Avenida Menocal 16, HAVANA	*Mail:* Apartado 1945 *Cable:* CANADIAN *Tel.:* UO-9457
Denmark Greenland	C. F. Wilson, Commercial Counsellor	Canadian Embassy, 4 Trondhjems Plads, COPENHAGEN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Tria 1602

Territory	Officer	City Address	Mail and Cables, Office Telephone
Dominican Republic Puerto Rico	M. B. Bursey, Commercial Counsellor	Canadian Embassy, Edificio Copello 408, Calle El Conde, CIUDAD TRUJILLO	*Mail:* Apartado 451 *Cable:* CANADIAN *Tel.:* 5318
Egypt Aden, Sudan, Cyprus, Ethiopia, Saudi Arabia, Yemen	M. R. M. Dale, Commercial Secretary	Canadian Embassy, 6 Sharia Rouston Pasha, Garden City, CAIRO	*Mail:* Kasr el Doubara Post Office *Cable:* CANADIAN *Tel.:* 23110
France Algeria, French Morocco, French West Africa, Tunisia	R. Campbell Smith, Commercial Secretary A. L. Neal, Attaché J. H. Bailey, Assistant Commercial Secretary	3 rue Scribe, PARIS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* OPEra 42-30
Germany Federal Republic	B. A. Macdonald, Commercial Counsellor S. G. Barkley Commercial Secretary M. B. Blackwood, Assistant Commercial Secretary	Canadian Embassy, 22 Zitelmannstrasse, BONN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Bonn 21971
Greece Israel, Turkey	A. B. Brodie, Commercial Secretary	Canadian Embassy, 31 Vassilissis Sophias Ave., ATHENS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 74044
Guatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	H. W. Richardson, Canadian Government Trade Commissioner J. R. Midwinter Assistant Trade Commissioner	5a Avenida Sud, 10-68 GUATEMALA CITY	*Mail:* P.O. Box 444 *Airmail:* P.O. Box 400 *Cable:* CANADIAN *Tel.:* 5590
***Haiti**	Chargé d'Affaires, a.i. and Consul	Route du Canape Vert, St. Louis de Turgeau, PORT AU PRINCE	*Mail:* P.O. Box 826
Hong Kong China, Indo-China, Macao, Taiwan	C. M. Forsyth-Smith Canadian Government Trade Commissioner Assistant Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg., HONG KONG	*Mail:* P.O. Box 126 *Cable:* CANADIAN *Tel.:* 28336
India	Wm. Jones, Commercial Secretary	Office of the High Commissioner for Canada 4 Aurangzeb Road, NEW DELHI	*Mail:* P.O. Box 11 *Cable:* CANADIAN *Tel.:* 40191
India	G. F. Mintenko, Acting Canadian Government Trade Commissioner	Gresham Assurance House, Mint Road, BOMBAY	*Mail:* P.O. Box 886 *Cable:* CANADIAN *Tel.:* 20672
Indonesia	W. D. Wallace, Commercial Secretary	Canadian Embassy, Budi Kemulian No. 6, DJAKARTA	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Gambir 499
Ireland	T. G. Major, Commercial Counsellor for Canada	66 Upper O'Connell St., DUBLIN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 44251
Italy Libya, Malta, Yugoslavia	S. G. MacDonald, Commercial Counsellor W. R. Van, Commercial Secretary K. F. Osmond, Commercial Secretary (Fisheries)	Canadian Embassy, Via Saverio Mercadante 15, ROME	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 846-842

Territory	Officer	City Address	Mail and Cables, Office Telephone
Jamaica Bahamas, British Honduras	H. E. Campbell, Canadian Government Trade Commissioner	Canadian Bank of Commerce Chambers, KINGSTON	*Mail:* P.O. Box 225 *Cable:* CANADIAN *Tel.:* 2858
Japan Korea	J. L. Mutter, Commercial Counsellor	Canadian Embassy, TOKYO	*Mail:* Canadian Embassy *Cable:* CANADIAN *Tel.:* 48-4116
	W. G. Pybus, Commercial Secretary		
Japan	J. E. Lancaster, Canadian Government Trade Commissioner	7th Floor, Crescent Bldg., 72 Kyomachi, Ikutaku, KOBE	*Mail:* P.O. Box 513 *Cable:* CANADIAN *Tel.:* 3-4617
Lebanon Iraq, Jordan, Persian Gulf Area, Syria	G. F. G. Hughes, Commercial Secretary	Canadian Legation, Alpha Building, Rue Clemenceau, BEIRUT	*Mail:* Bôite Postale 2300 *Cable:* CANADIAN *Tel.:* 30794
Mexico	Commercial Counsellor	Canadian Embassy, Edificio Internacional, Paseo de la Reforma, MEXICO, D. F.	*Mail:* Apartado 126-Bis *Cable:* CANADIAN *Tel.:* 36-27-90
	C. O. R. Rousseau, Assistant Commercial Secretary		
Netherlands	V. L. Chapin, Commercial Secretary	Canadian Embassy, Sophialaan 1-A, THE HAGUE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 18-51-06
	T. F. Harris, Commercial Secretary		
	W. R. Hickman, Assistant Commercial Secretary		
New Zealand Fiji, Western Samoa	L. S. Glass, Commercial Counsellor	Office of the High Commissioner for Canada, Government Life Insurance Bldg., WELLINGTON	*Mail:* P.O. Box 1660 *Cable:* CANADIAN *Tel.:* 70-644
	J. MacNaught, Assistant Commercial Secretary		
Norway Iceland	J. C. Depocas, Commercial Counsellor	Canadian Embassy, Fridtjof Nansens Plass 5, OSLO	*Mail:* P. O. Box 1379—Vika *Cable:* CANADIAN *Tel.:* 33-30-80
Pakistan Afghanistan, Iran	R. K. Thomson, Commercial Secretary	Office of the High Commissioner for Canada, Hotel Metropole, Victoria Rd., KARACHI	*Mail:* P.O. Box 3703 *Cable:* CANADIAN *Tel.:* 5826
Peru Bolivia	H. J. Horne, Commercial Secretary	Canadian Embassy, Edificio Boza, Carabaya 831, Plaza San Martin, LIMA	*Mail:* Casilla 1212 *Cable:* CANADIAN *Tel.:* 72760
Philippines	H. L. E. Priestman, Consul General and Trade Commissioner	Canadian Consulate General, Ayala Building Juan Luna Street MANILA	*Mail:* P.O. Box 1825 *Cable:* CANADIAN *Tel.:* 3-33-35
	W. J. Jenkins, Vice Consul and Assistant Trade Commissioner		
Portugal Azores, Madeira	Richard Grew, Commercial Counsellor	Canadian Embassy, Rua Marques de Fronteira No. 8—4° D° LISBON	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 53117
Rhodesia and Nyasaland Kenya, Seychelles Is., Tanganyika, Uganda, Zanzibar	W. J. Millyard, Canadian Government Trade Commissioner	Dolphin House, Union and Moffat Sts. SALISBURY	*Mail:* P.O. Box 2133 *Cable:* CANTRACOM *Tel.:* 26571
Singapore Brunei, Burma, Federation of Malaya, North Borneo, Sarawak, Thailand	M. P. Carson, Canadian Government Trade Commissioner	Room E-3, Union Building. SINGAPORE	*Mail:* P.O. Box 845 *Cable:* CANADIAN *Tel.:* 30631-2
	W. G. Huxtable, Assistant Trade Commissioner		

Territory	Officer	City Address	Mail and Cables, Office Telephone
South Africa (Natal, Transvaal, Orange Free State), Madagascar, Mauritius, Mozambique, Reunion	K. F. Noble, Canadian Government Trade Commissioner	Mutual Building, Harrison Street, JOHANNESBURG	*Mail:* P.O. Box 715 *Cable:* CANTRACOM *Tel.:* 33-2628
South Africa (Cape Province) Southwest Africa	A. W. Evans, Canadian Government Trade Commissioner	Grand Parade Centre Bldg., Adderley Street, CAPE TOWN	*Mail:* P.O. Box 683 *Cable:* CANTRACOM *Tel.:* 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio de Oro, Spanish Morocco, Tangier	Commercial Secretary	Canadian Embassy, Edifico España, Avenida de Jose Antonio 88, MADRID	*Mail:* Apartado 117 *Cable:* CANADIAN *Tel.:* 47-54-00
Sweden Finland	I. V. Macdonald, Acting Commercial Secretary	Canadian Embassy, Strandvagen, 7-C, STOCKHOLM	*Mail:* P.O. Box 14042 *Cable:* CANADIAN *Tel.:* 67-92-15
Switzerland Austria, Czechoslovakia, Hungary	Commercial Secretary N. W. Boyd, Assistant Commercial Secretary	Canadian Embassy, Kirchenfeldstrasse 88, BERNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 4-63-81
Trinidad Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, French West Indies	D. B. Laughton, Canadian Government Trade Commissioner	Colonial Building, 72 South Quay, PORT-OF-SPAIN	*Mail:* P.O. Box 125 *Cable:* CANADIAN *Tel.:* 34787
United Kingdom (South of England, East Anglia, Scotland), British West Africa (Gambia, Gold Coast, Nigeria, Sierra Leone)	Commercial Counsellor G. H. Rochester, Commercial Counsellor (Timber) D. A. B. Marshall, Commercial Counsellor (Agricultural) T. M. Burns, Commercial Secretary	Office of the High Commissioner for Canada, Canada House, Trafalgar Square, LONDON, S.W.1	*Mail:* (City Address) *Cable:* SLEIGHING *Tel.:* Whitehall 8701 *Cable:* TIMCOM
United Kingdom (Midlands, North England, Wales)	Canadian Government Trade Commissioner	Martins Bank Building, Water Street, LIVERPOOL	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Central 0625
United Kingdom (Northern Ireland)	T. G. Major, Canadian Government Trade Commissioner	36 Victoria Square, BELFAST	*Mail:* (City Address) *Tel.:* 21867
United States Delaware, Maryland, Virginia, West Virginia	R. G. C. Smith, Commercial Counsellor Dr. W. C. Hopper, Agricultural Counsellor	Canadian Embassy, 1746 Massachusetts Ave., N.W. WASHINGTON 6, D.C.	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* DEcatur 2-1011

Territory	Officer	City Address	Mail and Cables, Office Telephone
Washington	H. A. Gilbert, Commercial Secretary D. H. Burns, Assistant Agricultural Secretary		
United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda, Liberia	S. V. Allen. Deputy Consul General (Commercial) C. R. Gallow, Consul and Trade Commissioner C. E. Butterworth, Consul and Trade Commissioner	Canadian Consulate General, 620 Fifth Ave., NEW YORK CITY 20	*Mail:* (City Address) *Cable:* CANTRACOM *Tel.:* JUdson 6-2400
United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire)	D. H. Cheney, Consul and Trade Commissioner	Canadian Consulate General, 532 Little Building, 80 Boylston Street, BOSTON 16	*Mail:* (City Address) *Tel.:* HAncock 6-4320
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	G. A. Newman, Deputy Consul General (Commercial) R. F. Renwick, Consul and Trade Commissioner W. G. D'Arcy, Vice Consul and Assistant Trade Commissioner	Canadian Consulate General, 1412 Garland Building, 111 North Wabash Street, CHICAGO	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* RAndolph 6-6033
United States (Michigan, Ohio)	M. J. Vechsler, Consul and Trade Commissioner A. A. Lomas, Vice Consul and Assistant Trade Commissioner	Canadian Consulate, 1035 Penobscot Building, DETROIT 26	*Mail:* (City Address) *Tel.:* WOodward 5-2811
*United States California (the ten southern counties), Clark County in Nevada, Arizona, New Mexico.	Consul General	Canadian Consulate General, 510 West Sixth Street, LOS ANGELES 14	*Mail:* (City Address) *Tel.:* VAndike 2233
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	A. A. Caron, Consul and Trade Commissioner	Canadian Consulate General, 215-217 International Trade Mart NEW ORLEANS 12	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* RAymond 2136
*United States California, (except the ten southern counties), Wyoming, Nevada (except Clark County), Utah, Colorado, Hawaii	Consul General	Canadian Consulate General, 3rd Floor, Kohl Building, 400 Montgomery Street, SAN FRANCISCO 4	*Mail:* (City Address) *Tel.:* SUtter 1-3039
*United States (Oregon, Idaho, Washington, Montana), Alaska	Consul General	Canadian Consulate General, The Tower Building, Seventh Avenue at Olive Way SEATTLE 1, Washington	*Mail:* (City Address) *Tel.:* MUtual 3515
Uruguay Paraguay Falkland Islands	C. B. Birkett, Commercial Counsellor	Canadian Embassy No. 1409 Avenida Agraciada, Piso 7° MONTEVIDEO	*Mail:* Casilla Postal 852 *Cable:* CANADIAN *Tel.:* 96096
Venezuela Netherlands Antilles	Commercial Counsellor A. G. Kniewasser, Assistant Commercial Secretary W. G. Brett, Assistant Commercial Secretary	Canadian Embassy, Edificio Pan American, Puente Urapal, CARACAS	*Mail:* Apartado 3306 *Cable:* CANADIAN *Tel.:* 54-3431

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1·02008.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent July 5	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Official	·05446	18·36	(1)
		Free	·03126	31·99	
Australia	Pound		2·1920	·4562	
Austria	Schilling		·03770	26·53	
Belgium-Luxembourg	Franc		·01971	50·74	
Belgian Congo	Franc		·01971	50·74	
Bolivia	Boliviano	Official	·005160	193·8	
British West Indies	Dollar		·5780	1·730	(2)
	Pound		2·7400	·3650	(3)
	Dollar	British Honduras	·6850	1·460	
Brazil	Cruzeiro	Effective selling*			
		*Category I	·009431	106·03	
		Category II	·006588	151·80	tax 10% (4)
		Category III	·004806	208·07	*June 19
		Official buying	5·339	18·73	(5)
Burma	Kyat		·2059	4·857	
Ceylon	Rupee		·2055	4·866	
Chile	Peso	Free	·001984	504·0	(15)
Colombia	Peso	Basic	·3921	2·550	(7)
		Free*	·2086	4·794	*July 3
Costa Rica	Colon	Official	·1746	5·727	
		Controlled free	·1477	6·77	
Cuba	Peso		·9803	1·02	tax 2% (4)
Czechoslovakia	Koruna		·1361	7·348	
Denmark	Krone		·1491	6·707	
Dominican Republic	Peso		·9803	1·02	
Ecuador	Sucre	Official	·06536	15·30	
		Free	·05270	18·98	
Egypt	Pound	Official	2·8150	·3552	(6)
Fiji	Pound		2·4685	·4051	
Finland	Markka		·004262	234·6	
France	Franc		·002801	357·0	(8)
French Africa	Franc		·005602	178·5	(9)
French Pacific	Franc		·01541	64·89	(10)
Germany	D Mark		·2337	4·279	
Greece	Drachma		·03267	30·61	
Guatemala	Quetzal		·9803	1·02	
Haiti	Gourde		·1961	5·099	
Honduras	Lempira		·4902	2·04	
Hong Kong	Dollar	Free*	·1667	6·00	*June 22
		Official	·1713	5·838	
Iceland	Krona	Official	·06019	16·61	
		Special buying	·04464	22·40	
		Special selling	·03516	28·44	(11)
India	Rupee		·2055	4·866	
Indonesia	Rupiah	Basic	·08633	11·58	(12)
Iran	Rial	Certificate	·01294	77·27	
Iraq	Dinar		2·7449	·3643	
Ireland	Pound		2·7400	·3650	
Israel	Pound		·5446	1·836	
Italy	Lira		·001574	635·3	
Japan	Yen		·002723	367·2	
Lebanon	Pound	Free	·3043	3·286	
Mexico	Peso		·07843	12·75	

* Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent July 5	Units per Canadian dollar	Notes (See below)
Netherlands	Guilder		·2560	3·906	
Netherlands Antilles	Guilder		·5158	1·939	
New Zealand	Pound		2·7400	·3650	
Nicaragua	Cordoba	Effective buying	·1485	6·734	
		Official selling	·1391	7·19	
Norway	Krone		·1372	7·289	
Pakistan	Rupee		·2055	4·866	
Panama	Balboa		·9803	1·02	
Paraguay	Guarani	Official	·01634	61·20	(6) (13)
Peru	Sol	Certificate	·05160	19·38	
Philippines	Peso		·4902	2·04	
Portugal	Escudo		·03421	29·23	(14)
El Salvador	Colon		·3921	2·550	
Singapore & Malaya	Straits dollar		·3197	3·128	
South Africa (Union of)	Pound		2·7400	·3650	
Spain & Dependencies	Peseta	Basic buying	·04476	22·34	
		Basic commercial selling	·05970	16·75	(6)
		Free	·02517	39·73	
Sweden	Krona		·1895	5·277	
Switzerland	Franc		·2288	4·371	
Syria	Pound	Free*	·2770	3·61	*June 19
Thailand	Baht	Free	·04729	21·15	(6)
Turkey	Lira		·3501	2·856	
United Kingdom	Pound		2·7400	·3650	
United States	Dollar		·98031	1·02	
Uruguay	Peso	Official	·6454	1·549	tax 6% (4)
		Principal buying	·5734	1·744	(6)
		Principal selling rates	·4682	2·136	
			·4396	2·275	
Venezuela	Bolivar		·2926	3·418	
Yugoslavia	Dinar		·003267	306·1	(6)

* Latest available quotation date.

notes

1. Argentina: additional rates result from exchange retentions on export proceeds and surcharges on imports.
2. Barbados, Trinidad, Tobago, Leeward and Windward Islands, British Guiana.
3. Bahamas, Bermuda, Jamaica.
4. Tax affects selling (import) rates only; certain essential imports exempt.
5. Brazil: currency certificates auctioned for five import categories. Effective selling rate is official rate of 18.82 to U.S. dollar plus price of certificate. Tax of 10 per cent applies to official rate (tax is 1.88 cruzeiros per U.S. dollar). Exporters receive cruzeiros at official rate plus exchange premiums ranging from 18.70 to 48.64 cruzeiros per U.S. dollar, depending on product. Three rates shown cover bulk of transactions for auction.
6. Additional rates are in effect.
7. Colombia: stamp taxes of 3, 10, 30, 80 and 100 per cent on imports depending on essentiality. The free rate applies to minor exports and less essential imports.
8. Includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
9. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
10. New Caledonia, New Hebrides, Oceania.
11. Iceland: special rates apply to minor export products of small fishing boats and designated non-essential imports.
12. Indonesia: basic rate applies to most exports and a few essential imports. Purchase of exchange for other imports is subject to surcharges of 50, 100, 200 or 400 per cent depending on products.
13. Official rate applies to exports and essential imports. For non-essential imports there is a surcharge of 25 Guaranis per U.S. dollar.
14. Portugal: approximately same rate for Portuguese Territories in Africa.
15. Chile: free rate applies to exports and to imports, except prohibited imports. Chilean importers must deposit local currency in amounts ranging from 5 to 200 per cent, depending on product, prior to shipment of goods.

Canada in the U.S. Market

Canadian exporters are invited to contribute to this series photographs of their products in use or on sale in foreign markets. Photographs should be adequately captioned, protected for mailing, and addressed to: The Editor, "Foreign Trade".

In Michigan—These bales of peat moss piled high at the side of a suburban Detroit garden-supply market were imported from Canada. Canadian peat moss is featured at many of these markets and in the large department stores in Detroit.

In Wisconsin—A Canadian machine moulds and wraps the butter produced by this U.S. dairy. The manufacturer has sold his moulding and wrapping machines and his continuous churns to a number of dairies in Wisconsin and Illinois.

In Massachusetts, New York and New Jersey—This shipment of Canadian lumber will be unloaded at Boston, Brooklyn and Newark. The S.S. Spruce Woods *picked up her cargo—10,700,548 f.b.m. gross—at British Columbia ports; there's enough lumber to build about 650 four-room bungalows.*

—Port of New York Authority

In New York—At one of the wharves in the port of New York, stevedores unload from the hold of a Canadian freighter rolls of Canadian newsprint, destined for American newspapers.

THEY'RE OFF!

In car racing it's not only speed that wins, it's knowing the techniques of driving.

In the race for foreign sales, the successful exporter uses all the techniques of his trade.

One of the most profitable is the trade fair, where an exporter can display his wares to advantage and deal directly with buyers under favourable conditions.

Many Canadian exporters are boosting their sales through trade fairs in many parts of the world. You can too. For information write or visit the Department of Trade and Commerce, Ottawa.

TAKE THE TRADE FAIR TRACK TO EXPORT SALES

AUGUST 4, 1956

foreign trade

ADA

NEW ZEALAND AS A MARKET (page two)

ANADA

foreign trade

Established in 1904

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cover On the Canterbury Plains stretching beyond Christchurch, New Zealand, a shepherd with his dogs leads his Romney ewes out to pasture. Well over 90 per cent of the country's foreign exchange income comes from products of its sheep and cattle stations. For a survey of New Zealand and the factors that influence its trade policies, turn to page two.

New Zealand as a Market

Four years as Canada's Commercial Counsellor in Wellington have given the author an insight into New Zealand's economic background and current problems. In this article he gives the exporter pointers about this market and some understanding of changes in the trade pattern there in recent years.

LESTER S. GLASS,
Commercial Counsellor, Wellington.

GEOGRAPHY, CLIMATE, THE PEOPLE and many other factors play a part in determining what kind of a market a country offers. This is particularly true of New Zealand, in the far South Pacific. New Zealand is composed of two islands (not taking into account several small adjacent ones)—the North Island with an area of about 44,000 square miles and the South Island of just over 58,000 square miles. Together they support a population of slightly more than two million. But because, on a per capita basis, it is one of the greatest exporting nations in the world and consequently has a high standard of living, New Zealand constitutes a market with greater possibilities than this relatively small population would suggest.

Sheep and Cattle Stations

Both islands are of volcanic origin, extremely rugged, and criss-crossed by numerous mountain ranges which have made inland transportation very difficult. As a result, the population is concentrated on or near the coast. The four main centres are Auckland and Wellington in the North Island and Christchurch and Dunedin in the South Island. Although New Zealand is mountainous for the most part, between the ranges lie many lush and fertile valleys, plateaus and plains. It was here, on the rich dairy and sheep lands, that the first settlers laid the foundations of New Zealand's present prosperity.

In 1954 the sheep population of New Zealand numbered over 38 million and nearly 6 million cattle were run. The dairy industry is largely confined to the North Island, particularly in the Waikato area which is served by Auckland in the north, and to the valleys and plains of the Wairarapa and Taranaki in the south, served by Wellington. In the South Island, the Canterbury Plains stretching beyond Christchurch are renowned for their production of store sheep and lamb; the hills, valleys and plateaus of Southland produce a major share of New Zealand's wool. New Zealand grew and thrived on the products of the sheep and cattle stations and even today well over 90 per cent of the foreign exchange income results from these operations.

Forest Industries Expanding

The terrain and climate of New Zealand and the well-distributed annual precipitation make it a well-forested country. (Rainfall in any part of the country is rarely less than 40 inches a year and on some of the western slopes of the Southern Alps of the South Island reaches 500 inches a year.) The first settlers who arrived in 1840 found that the woods from the native forests were the most satisfactory and ready-to-hand building material. During the first forty years of settlement, the population grew to over half a million and the inroads

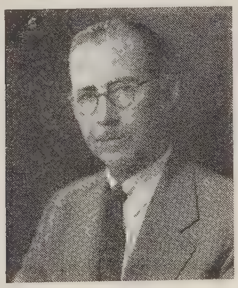
the standing timber made by these first settlers—say nothing of the thousands who followed—can sily be imagined.

.rly in the twentieth century the rapid disappearance the indigenous forests aroused concern and steps ere taken to remedy this. Quicker growing exotic ees such as pinus radiata and Douglas fir were planted replace the ravaged native forests and plantings ere also made on lands which were producing no orthwhile vegetation. These exotic trees flourished New Zealand and now the country is reaping the nefit of these man-made forests. Products of the cal sawmills are now replacing some types of timber hich were formerly imported and growing export arkets are being found in Australia and parts of outh East Asia.

well-organized pulp and paper industry has also een developed. For some time past, local manufacture as supplied New Zealand with practically all the aperboard and kraft papers it needs. In 1955 the st newsprint was produced in the mill of the Tasman ulp and Paper Company at Kawerau. Incidentally, illing is now going on at the site to tap the geothermal eam under the area; this will be used to produce ower and heat to operate the mill. This mill, it is xpected, will supply 75 per cent of New Zealand's ewsprint needs and provide a worthwhile surplus for xport to markets already earmarked in Australia and e South Pacific Islands. Near this undertaking, nother new mill will shortly come into production nd will fill the greater part of the demand for tissue f all types.

ndustrial Expansion

efore 1935 New Zealand was predominantly an agricultural country. There were, of course, many small ndustries supplying local requirements but in 1932 he factory-door value of manufactured goods totalled ess than £70 million. The Government which came nto power in 1933 introduced a period of industrial xpansion and industrial production rose steadily until, n 1939, the figure stood at approximately £110 million. This program necessitated heavy overseas urchases of equipment and raw materials. With the xception of her forests, fisheries, hydro-electric power nd fertile soil, New Zealand has few known natural esources. Gold and iron are the only metalliferous minerals found in any quantity. The gold is now practically exhausted and the iron, found in large concentrations of titanium sands, has not yet been commercially extracted. Small amounts of scheelite and silver are recovered. With the exception of coal, limestone, sand and gravel, non-metallic minerals have been found so far only in small quantities and usually of low grade.



LESTER S. GLASS, with four years' experience as Commercial Counsellor in Wellington, is looking forward to discussing trade problems in the New Zealand market with Canadian businessmen during a cross-Canada tour scheduled to begin this month. Mr. Glass will start his three-month tour in Montreal August 6-15; his itinerary is given below.

Lester Glass joined the Canadian Foreign Trade Service in 1927 and was posted that year to Bristol as Assistant Trade Commissioner. In 1930 he was transferred to Port-of-Spain as Trade Commissioner; subsequent postings took him to Rio de Janeiro and Lisbon, and then to Wellington in 1952. Mr. Glass will complete his Canadian itinerary late in October in British Columbia and will sail from Vancouver for another tour of duty in Wellington.

Quebec—Aug. 16	London—Sept. 13
Arvida—Aug. 17	Windsor: Walkerville—Sept. 14
Toronto—Aug. 20-29	Sarnia—Sept. 17
Kitchener: Waterloo—Aug. 30	Winnipeg—Sept. 20-21
Guelph: Galt—Aug. 31	Regina—Sept. 24
Hamilton—Sept. 4-7	Calgary—Sept. 25-26
Niagara Falls—Sept. 10	Edmonton—Sept. 27-28
St. Catharines: Welland—Sept. 11	Vancouver—Oct. 1-12
Brantford—Sept. 12	Victoria—Oct. 15-16

Import Restrictions Introduced

The industrial expansion made serious inroads into New Zealand's foreign exchange resources and in the latter part of 1938 the Government, to put a brake on overseas spending, instituted import restrictions. These restrictions had two aims. One was to cut down overseas spending and the other to protect the new industries which had been developed. These restrictions were further tightened during the war years and were aided by the scarcity of goods for export in the overseas countries which were the usual suppliers. As a result, the industrialization of New Zealand was given a powerful impetus and by 1945 the value of factory output had reached £190 million. Nor did the end of the war end New Zealand's import controls—an acute shortage of overseas exchange made it imperative that they be continued.

In 1951, however, following a fabulous year for wool, the restrictions were largely removed. The results were drastic. The consumer, who had been starved of goods for years, and industry, which had found it impossible to obtain raw materials and new equipment, went on a buying spree and New Zealand again found her overseas resources rapidly approaching the vanishing point. Controls were immediately clamped on again and overseas buying cut to a minimum. It was only in 1954 that any significant move towards decontrol again took place. This time, however, the relaxation was judiciously spread out and this policy, though at present it has slowed down, is still being maintained.

During this period the development of local industries has continued apace and the value of industrial production in 1955 has been placed at £550·7 million, nearly eight times output in 1932. Put in another way, the value of industrial production now stands at £275 per capita. This means, of course, that the pattern of New Zealand imports, including those from Canada, has changed compared with the years before 1938. Many of the present import controls in New Zealand, in fact, serve to protect local industries which have grown up in recent years.

Tariff Being Revised

The Customs Tariff currently in force in New Zealand was introduced in 1938 and did not envisage the industrial development which has taken place. In many instances, it is felt, it does not give these new industries suitable protection. The Board of Trade of New Zealand is now in the process of revising the tariff and hopes to complete this work by the end of 1956. However, it is improbable that the new tariff will come into force before mid-1958. Until that time import control will continue, as in the past, to be a protective device.

Advice to the Exporter

In dealing with New Zealand there are some points that Canadian exporters should always bear in mind. The difficulty of inland transportation has already been mentioned and this makes it necessary for the exporter to ensure that goods are transported to the port of destination which the consignee specifies. If goods destined to, say, Dunedin, are unloaded at Auckland, there may be a delay of many weeks before they arrive at their true destination and the buyer will be faced with extremely heavy inland or coastal transportation charges. Other delays and inconveniences are often caused through carelessness or lack of knowledge on the part of the exporter who transmits shipping documents by airmail bearing insufficient postage. As a result, shipping documents often arrive six weeks or more after the goods have been landed.

New Zealanders have a warm regard for Canada and Canadians and, although they have been denied many Canadian products for a long time, they are sincerely looking forward to the day when they may again turn to Canadian manufacturers for their requirements. ●

/enezuelan Imports Increase

Seven per cent rise in imports, with machinery and metals and their products well in the lead, witness to country's continuing economic growth.

LESLIE BROWN, *Commercial Counsellor, Caracas.*

IE LIVELY FOREIGN TRADE OF VENE-JELA has again surpassed all previous records. ports, at Bs.6,186 million, were far higher than the al of Bs.5,660 million of 1954. Imports were valued Bs.2,959·6 million (or about $887,791,808) which s over 7 per cent higher than in 1953, the previous ak year.

urces of Supply

ch of the principal supplying countries enjoyed a are of the increase. In fact, the eleven leading ppliers maintained their relative positions, with the ception of Western Germany which, with the great- percentage rise, passed the United Kingdom and ok second place only to the United States. This ange may prove temporary because it resulted, in rt at least, from the arrival of certain engineering uipment, probably a non-recurring item.

VENEZUELAN IMPORTS BY COUNTRIES

(values in dollars converted at 0·3)

	1954 Value	%	1955 Value	%
tal	823,748,097	100	887,791,808	100
nited States	507,017,202	61·6	522,738,003	58·9
rmany	56,362,330	6·8	79,532,806	9·0
nited Kingdom	64,606,415	7·9	69,408,517	7·9
ANADA	32,611,419	4·0	35,125,873	4·0
ance	29,166,843	3·5	32,563,012	3·7
aly	20,836,720	2·5	24,354,312	2·8
etherlands	18,437,824	2·2	21,209,919	2·4
pan	10,290,287	1·2	16,737,903	2·0
lgium	14,164,110	1·7	16,267,915	1·8
witzerland	10,660,420	1·3	10,917,823	1·2
weden	6,561,383	0·8	8,530,392	1·0
thers*	53,033,144	6·5	50,405,333	5·3

Includes Aruba, Argentina, Brazil, Cuba, Curaçao, Colombia, zechoslovakia, Chile, Denmark, Finland, Honduras, Luxembourg, Mexico, Peru, Philippines, Portugal, Puerto Rico, Spain, Trinidad, c.

he above table does not include imports by air freight or parcel ost.

Canadian sales were maintained at about 4 per cent of the total, a proportion which has continued constant for several years. Venezuela is a highly competitive market because world producers are attracted by the uncontrolled dollar exchange. The details of Canadian sales vary from year to year, as competition from other countries takes some business away but energetic Canadian efforts improve sales of other lines.

The total value of imports becomes more interesting when subdivided by main groups. From the data on imports by general classification, it is clear that machinery, instruments and apparatus, comprising a third of all imports, continue to typify the substantial economic growth of Venezuela. Naturally associated with the use of machinery are metals and their products—actually products rather than raw metals—which accounted for more than a sixth of the total. These two classes together made up over half of all imports.

VENEZUELAN IMPORTS BY MAIN GROUPS

(values in dollars converted at 0·3)

	1954 Value	%	1955 Value	%
Total	819,731,390	100	887,889,803	100
Machinery, instruments and apparatus	272,186,085	33·0	292,524,903	32·9
Metals and manufactures	129,439,393	15·7	158,724,595	17·9
Foods and beverages	121,873,552	14·8	130,614,998	14·7
Chemicals	44,170,699	5·4	48,901,025	5·5
Textiles	49,438,191	6·0	48,420,742	5·5
Minerals, glass and pottery	34,540,019	4·2	33,966,297	3·8
Wood, paper and products	21,236,264	2·6	25,180,767	2·8
Vegetables and industrial products	15,069,037	1·8	17,529,089	2·0
Animals and industrial products	4,539,862	0·6	4,277,482	0·5
Sundry	33,886,952	5·3	43,891,376	4·9
Duty-free goods	77,766,152	9·4	78,714,811	8·9
Goods restricted to Government	15,585,184	1·2	5,143,718	0·6

Exports

During the past four decades, petroleum has been the foundation of Venezuelan prosperity and dollar income. Despite the soaring exports of iron ore, petroleum still accounts for about 94 per cent of the total exports, worth about $1,855·8 million. Iron ore makes up somewhat over 4 per cent of the total and the remainder consists of coffee, cacao and some lesser items. ●

75301—2½

The Freight Forwarder and His Function

Many exporters are finding that entrusting the intricate detail of export shipping to a freight forwarder leaves them free to concentrate on their main business—selling. This article, eleventh in our series on the techniques of export trade, outlines the services which the forwarder offers to both new and experienced exporters.

G. A. A. DOUGLAS, *President, Canadian International Freight Forwarders Association.*

THE TERM "FREIGHT FORWARDING", in its simplest sense, covers the movement of all types of products from the seller to the foreign buyer, using the most expeditious means and routes. Someone once remarked that primitive man acted as his own forwarder: he packed his wife on his back, clutched his elementary tools or weapons in his hand, and set off for a new destination. As trade and travel became more widespread and more complicated, experts in both began to appear. About two hundred years ago freight forwarding on the continent of Europe evolved as a recognized business; today the forwarding agent plays a well-defined and important role in export trade.

The modern freight forwarder controls the movement of goods from the exporter's plant up to the point where the foreign buyer has agreed to take possession and accept responsibility. Often the forwarder, after he has fulfilled his obligations to his Canadian client, continues to look after the goods, carrying out the foreign buyer's instructions. In both situations, he acts on behalf of principals; he himself normally never enters a transaction as a principal nor acquires a financial interest in it.

Helping the New Exporter

Companies with a large foreign trade and a well-organized export department often undertake themselves many of the services which a freight forwarder provides. It is the new exporter or the firm with fewer overseas connections that find him particularly helpful. The businessman thinking about his first foreign sales often asks: "How can a freight forwarder help me?" He should put that question to the forwarder himself and together they should sit down and talk over the exporter's prospects and problems.

In this preliminary discussion, not all the questions will come from the exporter. The forwarder will have his innings too. What product does the businessman wish to export? Where is his plant? What percentage of his production can be devoted to export sales? In what markets is he interested? What competition does he face? Has he worked out his export prices? Has he selected any agents? If the exporter wants to get the best possible service from a forwarder, he should answer these and other questions fully and frankly. He can be certain that everything he tells the forwarder will be considered confidential. In fact, the relationship between them resembles that between a doctor and his patient or a lawyer and his client. The exporter can "bare his soul commercially" without any qualms.

Initial Services

Many people still think of a freight forwarder as a man who books ocean freight space, prepares the shipping documents, and sees that the goods are placed on board the vessel selected. Actually his services—particularly to a new exporter—may begin long before the time of shipment and extend much farther. An experienced forwarder can help with one of the first problems—finding suitable agents. Suppose his client

ants to sell steam shovels in Spain. The forwarder rough his correspondents there can check on the ze of the market, potential agents and customers, nd so on. He thus confirms or supplements the formation which the Canadian Trade Commissioner an supply. By quoting a through shipping rate, he elps the exporter to determine his export prices.

he best way for the exporter to investigate a foreign arket is to visit it himself. But at the outset, and if e is beginning in a small way, he may not want to pend a sizable sum on travelling expenses. The orwarder helps him to compensate for this lack of ersonal knowledge by advising him on various technial matters. These include selling terms in foreign ountries (such as cash against documents, open ccount, etc.), export packing and marking, foreign veights and measures, exchange operations and restricions, documentation, and so on. In fact, the new or he small exporter can regard the freight forwarder as is export department—as near as the telephone on is desk. Even the larger firms often find it convenient o let the forwarder handle the complicated details hat export shipping involves. This leaves them free o concentrate on developing markets and increasing ales.

peeding the Shipment

n moving goods swiftly and easily, the forwarder relies upon the knowledge gained over the years of rates and outes, sailing schedules, port facilities and so on. He an advise on the proper timing of a shipment so that t will reach a seaport at the right moment for a certain ailing, and on how to avoid transhipment with the langer of damage and pilferage that it involves. Before shipment begins, his staff takes control of the goods, checks quantities, arranges for or provides suitable export packing (especially important in shipping manufactured goods). He supervises the marking, weighing, measuring, and the transfer to the ship, and the placing of the necessary marine and other insurance. His clerks look after the shipping documents, consular invoices, certificates of origin, documents of title and so on. This service is especially valuable to the exporter whose plant is inland, where there may not be foreign consulates. Practice makes the forwarder's staff efficient at dealing with consular documents and there is less risk of mistakes which delay the departure of the goods or errors which prove costly. The forwarder also looks after and presents to the bank the necessary documents for obtaining a letter of credit.

Occasionally forwarders offer a small exporter, particularly of package freight, a "consolidated shipments" service. Under this plan a number of small shipments are forwarded together and the cost of each is reduced. Freight forwarders in the United Kingdom often use this method, offering small shippers to continental European points a direct-to-the-buyer service. In other cases, where transportation rates for a certain commodity have not yet been established, the forwarder negotiates with carriers and the insurance underwriters for equitable charges. He also advises on export permits and on export drawbacks when these apply.

Tracing Lost Shipments

Sometimes in spite of all precautions an export shipment is lost at some stage of its long journey from seller to buyer. The forwarder is always alert to this possibility. Whenever a shipment fails to arrive at some point at the designated time, he puts a tracer on the goods and calls for proof of delivery. He also dispatches letters of reservation to all the carriers. These letters keep the door open against the possibility of a claim; if they are not sent within a reasonable time, the claim may become obsolete and the exporter loses out. And the search for a missing shipment can consume a lot of time and energy. The forwarder sees that the various carriers make a port-to-port check on the movement of the goods and sometimes pushes the search on his own. Employees of one forwarding firm recently discovered a missing shipment in the wrong hangar at the airport in the city to which it was consigned.

Services Abroad

Many of the freight forwarder's services are performed for his client within Canada. But most forwarding agents also have branch offices or correspondents in foreign countries or work with old-established and reputable forwarders who act as their sub-agents. When the Canadian exporter travels abroad, he has access to the facilities and services of these branch offices or agents—often in places where there is no Canadian Trade Commissioner stationed. These offices can provide him with interpreters or guides, can arrange for samples to be sent to his next stop or shipped home, and can advise the visitor about his own purchases. In exploratory trips, the forwarder usually covers the exporter's movements with letters of recommendation. He may also arrange for the necessary outlay on foreign duties or duty deposits, expenses, etc. The exporter, under this system, need not carry a great deal of money with him and need not wait over at any particular point for the purpose of settling accounts. All these arrangements leave him free to concentrate on his main business—getting customers.

Fees and Services

What does the forwarder charge for his services? Freight forwarders in Canada have not yet agreed upon a standard rate of fees, although the Canadian International Freight Forwarders Association, formed about five years ago, is working on the problem. At present,

each shipment is handled on an individual basis and the charges set accordingly; but there are no hard-and-fast rules about fees. There is, of course, a nominal fee for the preparation of each set of documents. In practically every case, the forwarder's fees are much below the cost of maintaining an entire export shipping department.

To the exporter who thinks that the freight forwarder can help him do a more efficient selling job, I offer a word of advice. Take the forwarder into your business confidence, give him the facts he needs, and discuss with him how he can be of service. Then, when you have decided to make use of him, give him *exact* instructions. By satisfying the instructions and wishes of both the seller and the buyer, the forwarding agent fosters goodwill between the two parties to a transaction and so helps the growth of international trade.

Canada's Steel Imports

their regional significance

What types of steel does Canada import, and how do these imports vary by areas? The analysis that follows answers these questions; it is based upon a survey of steel sales by Canadian manufacturers by regions, and of regional imports by customs points of entry, as collected by DBS.

J. P. LOUNSBURY } *Economics Branch*
FRANK PELLETIER }

CANADA CONSISTENTLY IMPORTS well over a million tons a year of steel rolling mill products, aside from such secondary products as pipe, wire and stampings.

Although well over half of these imports are destined for Ontario alone, other Canadian provinces and regions are relatively more dependent upon foreign supplies than Ontario. Thus the Province of British Columbia, which only accounts for about 10 per cent of total Canadian steel imports, actually receives over half of all its steel requirements from foreign sources. The Maritime Provinces, on the other hand, because of the large integrated steel industry in Nova Scotia, are the least dependent upon foreign sources of supply. Their recent experience is that only a little more than 15 per cent of total consumption is met by foreign suppliers.

The relative importance of foreign sources of steel supplies for all five Canadian steel markets is tabulated in Table I on page 9.

Imports by Areas

The British Columbia market is the most dependent upon foreign steel because foreign suppliers have access to it by water. Canadian mills, faced with the long overland route, have not fared as well here although the revision in freight rates to this market should ensure larger future sales by Canadian mills. The local bar and rod mill goes a long way, however, toward meeting the demand for that type of product in the province. Other products such as structural steel and plate are in heavy demand for the resource type of industry locating there.

The Prairie Provinces receive 75 per cent of their steel requirements from local producers and from Ontario mills. Producers in Manitoba and Alberta supply the greatest portion of the Prairie bar and rod market; Ontario producers find a large market in servicing the transcontinental railroads. Structural steel, again, as in British Columbia, makes up a sizable portion of imports. This is generally of a size not made in Canada and is used in the many industries drawn to the West over recent years by the oil and gas industries.

Consumption of Steel Rolling Mill Products by Region
Annual Averages for the Four-Year Period 1951-1954

Table I

(in thousands of net tons)

Region	B.C.	Prairies	Ontario	Quebec	Atlantic	Total
Apparent Consumption of Mill Products	199	229	2,210	983	177	3,798
Imports of Mill Products	107	58	616	301	28	1,110
Per cent, Imports of Consumption	54	25	28	31	16	29

Table II

(market figures in thousands of net tons)

Type—Region		B.C.	Prairies	Ontario	Quebec	Atlantic	Total
Structurals:	Total consumption	46·5	36·1	247·9	218·8	33·8	583·1
	% Foreign	91·8	70·1	57·7	54·7	39·6	59·0
Plate and Skelp:	Total consumption	26·7	21·5	305·3	117·5	21·3	492·3
	% Foreign	74·4	54·7	37·2	54·9	17·0	43·4
Rail and Track Material:	Total consumption	8·8	60·9	191·0	71·1	37·0	368·8
	% Foreign	93·3	1·1	2·7	1·8	7·3	4·9
Bars and Rods:	Total consumption	53·7	63·8	621·9	325·1	33·5	1,098·0
	% Foreign	20·6	3·9	12·7	9·5	5·7	11·4
Hot Rolled Sheets:	Total consumption	22·5	23·6	299·9	84·9	6·1	437·0
	% Foreign	84·0	61·4	57·6	75·8	71·3	62·9
Cold Rolled Sheets:	Total consumption	3·3	5·1	238·3	60·9	3·0	310·6
	% Foreign	16·9	17·1	27·0	23·0	21·5	25·9
Other Sheet:	Total consumption	37·4	17·5	218·8	87·6	6·3	376·6
	% Foreign	14·0	15·1	5·4	7·2	21·7	7·4

Most types of products, except rail and track material, are imported by Ontario in sizable volume. The bulk of these are generally brought directly across Lake Ontario from the United States. Two of the largest items are structural steel and hot rolled sheet in sizes which Canadian mills do not yet turn out. The above table reveals that Ontario strikes the average for the country, with its 28 per cent dependence upon imported supplies.

Quebec, open to ocean transport, receives relatively more of its steel supplies from abroad than Ontario does. However, this is also due to the fact that the sheet steel using industries here are not as large as in Ontario, but the structural market is a very large one. Canadian producers in both Ontario and Nova Scotia can supply sheet steel but the large sizes demanded by the structural fabricating industry must be imported.

The Atlantic Provinces receive most of their steel requirements in every category except structural steel from Canadian mills.

On a more detailed basis, Table II above depicts the share of each product market which foreign suppliers have held in recent years.

The above analysis shows that Canadian steel imports are the result both of geography and of the economics of producing for a limited market. As one example, there is the case of wide flange beams which make up a large proportion of total structural steel imports. The market in any one or two regions has not been sufficient to warrant producing these in Canada. The same holds true of imports of very wide sheets and plates. But just as Canadian steel mills have added new product lines in the past, they will no doubt make these other products when the size of the market warrants it.

Foreign suppliers and domestic producers alike, in looking ahead to future market possibilities, will no doubt apply their slide rules to these and other statistics in formulating their growth plans.

Tour of Territory

G. F. MINTENKO, Acting Canadian Trade Commissioner in Bombay, India, will visit Calcutta, August 12-19, and Madras, August 20-23.

Businessmen who would like Mr. Mintenko to undertake assignments should get in touch with him at his post as soon as possible.

fairs and exhibitions

DIDACTA—for Educators

THE MODERN APPROACH to the "three R's" will be illustrated by the teaching equipment on display at the 4th European Educational Materials Fair, September 8-13. The teaching and learning aids for kindergarten to university will include: atlases, globes, maps, working and learning material, Froebel and Montessori tools, scientific educational aids for physics and chemistry, laboratory equipment, models for biology, skeletons, projectors and films, school furniture, sports equipment, musical instruments, and tools for manual training. There will also be school books, pedagogic literature, copybooks, chalk, ink, pens, coloured pencils and crayons. At a European Conference of Educators during the fair, reports on modern education will be given.

This year's DIDACTA will be held in Bremen, Germany, in the five modern school buildings of the professional education centre. Inquiries should be directed to: Europaisher Lehrmittelverband, Freiburg-Ebnet i. Br., Kirchstraze 7, Bremen.

Two British Shows

FASHIONS and the fabrics that make them—new cottons, woollens and man-made fibres, new blends and new finishes—are promised to visitors at Britain's Sixth National Fabric Fair in the Royal Albert Hall, London, from October 1-5. The best-known names among British producers of fabrics will be exhibiting, and London's leading designers will parade their 1957 models, made from the materials on display.

RADIO AND TELEVISION RECEIVERS which can be made to any standards required, high fidelity sound reproduction equipment, new valves and tubes developed to meet the expanding use of frequencies in the VHF and UHF bands, and individual components—all these, plus communications, navigational aids, broadcast transmitters, studio and electronic equipment, can be seen at this year's British Radio and Television Show. The show runs from August 21 to September 1 in Earls Court, London. On the experimental side will be a demonstration of electronic controls for the home of the future. The BBC and the Independent Television Authority are setting up studios at the exhibition where they will produce live shows; ITA will demonstrate the techniques of advertising program presentation. The British Defence Services will show some of their latest radio communications and radar equipment.

For information about these two British shows, contact the United Kingdom Trade Commissioners in Ottawa, Edmonton, Halifax, Montreal, Toronto, Vancouver, or Winnipeg.

Fall Fashions in Leather

LEATHER GOODS come again to Offenbach in September for the autumn session of the International Leather Goods Fair (Septembre 1-6). With the German exhibits will be leather products of Austria, France, Britain, the Netherlands, Italy and Spain—a range of about 40,000 models in all. Both luxury and utility items—in finest leathers, perlon and plastics—will be there, including evening bags, dressing cases, billfolds, jewel cases, handbags and all kinds of luggage.

The German-Canadian Trade Promotion Office, 185 Bay Street, Toronto, can give you all the details about this fair.

September in Italy

BARI, on the heel of the Italian boot, and Piacenza in the north will be hosts this autumn to international exhibitors and visitors at two fairs. At Bari, the 20th Levant Fair will open on September 7 and run until the 25th. The ancient city provides 250 thousand square metres of display space for the 7,000 exhibitors (2,426 foreign) from 55 countries who have registered for this year's fair. Visitors last year totalled 1·7 million. The exhibits will cover a broad range of manufactured goods: clothing and shoes; foodstuffs, wines and liquors; automobiles, industrial motor vehicles and motorcycles; agricultural chemistry and plastics materials; agricultural, oenologic, building, sewing and knitting machines; domestic electrical apparatus; marine engines; goldsmith work; radio and television; furniture and handicrafts. A special feature of this fair is the "Business Exchange", a special

ganization founded by the management to promote ficient contact between buyers and sellers in quiet rroundings. Forty foreign trade missions, whose embers are all qualified buyers, establish offices in e Exchange each year.

T PIACENZA, a first and a fifth: the 1st International Hydrocarbons Exhibition and the 5th National lethan Exhibition, from September 6th to 16th. Both ows will present exhibits of plant and machinery, gulating and measuring instruments, new developents, and thermic, chemical and domestic uses of quid and gaseous hydrocarbons, endogene forces and eir derivatives. At meetings on the 6th, 7th and 8th, chnical and economic problems of hydrocarbons roduction will be discussed and factories will be isited.

or information about these two Italian fairs, write the Commercial Attaché, Embassy of Italy, 136 ueen Street, Ottawa.

emperature Control in '57

XHIBITORS ARE URGED to book space now for e 13th International Heating and Air-Conditioning xposition, February 25th to March 1st, 1957; the anagement of this show expects that display space ill soon be filled. The exposition is under the uspices of the American Society of Heating and Air-Conditioning Engineers, and will be held in Chicago's nternational Amphitheatre. By the end of last April, 51 manufacturers of heating, ventilating, cooling and ir conditioning equipment had reserved space for their roducts.

f you would like to exhibit in or visit this show, you an get complete information from Mr. E. K. Stevens, Manager, International Exposition Company, 480 exington Avenue, New York 17, N.Y.

In the Showroom

THREE CANADIAN PRODUCERS of glassware and pottery took over the Canadian Showroom in Rockefeller Center, New York, on July 18th. Manufacturers of fine earthen dinnerware since 1933, Sovereign Potters Limited of Hamilton is showing cups and saucers, oatmeals, plates, salts and peppers, sugars and creams, platters and bowls, and teapots in many different patterns and colours.

The sparkling crystal stemware and tumblers, decanters, jugs and vases, bowls and bonbon dishes, ashtrays and candlesticks in the display were fashioned by the artisans of Clapperton and Sons Limited of Toronto and Phillips Cut Glass Company Limited of Montreal. These Canadian firms have been in business for 50 and 52 years.

The glassware and pottery exhibit continues in the Showroom to August 31st. Next on the Showroom bill will be church furnishings.

Coming . . .

IN CANADA—at the Show Mart, Montreal

Montreal Gift Show, August 27-30. For information: Mr. A. Baxter, Show Merchandising Limited, 9 Duke Street, Toronto.

All-Electrical Show, September 24-29. For information: Eastern Canada Exhibitions Inc., Room 257, Show Mart.

Furniture Exhibition, October 8-13. For information: Mr. Jean Blanchard, Furniture Manufacturers Association of the Province of Quebec, 1455 Drummond Street, Montreal.

IN THE UNITED KINGDOM

6th Northern Antique Dealers' Fair, September 10-15, Royal Hall, Harrogate. For information: Wiley Displays Limited, Prince Street, Dudley Hill, Bradford 4.

70th Annual Dairy Show, October 23-26. Olympia, London. For information: British Dairy Farmers' Association, 17 Devonshire Street, London, W. 1.

Glassware like this, made by Canadian craftsmen of long experience, is featured in the current display at the Showroom.

Canadian exports of fisheries products to New England should continue high this year, despite competition from U.S. fishermen, like this one pictured mending his nets as they dry.

New England'

D. H. CHENEY,
Consul and Trade Commissioner, Boston.

EXPANDING BUSINESS ACTIVITY and an atmosphere of optimism characterized New England in 1955 and, in most respects, this area followed the trend in the United States as a whole. The gains made in 1955 have continued and even increased in 1956. As a result, prospects for Canadian exporters interested in the New England market have rarely been brighter.

Progress in 1955

The pace of recovery in New England set in late 1954 was accelerated in 1955 by rising industrial production, particularly of durable goods. Although the disastrous floods of late summer did great damage to many plants, they caused only brief hesitation in the upward course of business. Employment gains were widespread and, because these were accompanied by rising wages and salaries, strong consumer demand for goods and services continued. A sizable backlog of unfilled orders prevented any serious inventory accumulation and these conditions were further supported by brisk retail trade, a record construction program, and greater use of credit. Toward the end of the year bank rates and terms stiffened in response to the heavy demands on credit facilities and upward pressure on commodity prices outside the farm and food sectors appeared.

Both manufacturing and non-manufacturing employment gained steadily during 1955. At year's end the outlook continued optimistic, despite some uncertainty about the future of automobile sales, consumer credit and home building. Not all industries shared equally in the year's gains. Textiles, which account for a major portion of employment in this area, faced many problems. Although the fabric mills offered fewer jobs than in 1954, the drop was not as great as from 1953 to 1954, and by the end of the year there were some signs of improvement. Meanwhile, employment in other non-durables, including shoes and leather, gained substantially.

Employment in durable goods industries such as fabricated metals, primary metals, machinery and electrical equipment, transportation equipment and scientific instruments increased considerably. This was the group hardest hit during the 1953-54 recession and by the end of 1955 these earlier losses had been more than recouped.

Employment in non-manufacturing industries also expanded; in construction it reached a new record. The number of workers in wholesale and retail trade, finance, insurance and real estate also advanced steadily. A longer average work week for production workers, combined with greater numbers employed, pushed the index of man-hours worked up from 91·0 in 1954 to 98·5 (1950=100).

Price Trends Vary Widely

In the main, prices were stable. However, price movements in certain sectors showed divergent trends. Prices of farm and processed food products in primary markets went down 9·5 per cent and 4·7 per cent respectively. Prices of foods to consumers remained generally steady, however.

Industrial commodities advanced in price during the year, with the greatest increases in metals and metal products—9·7 per cent—and rubber goods, 10·3 per cent. Steel scrap prices rose from \$35 a ton in January to \$52 in December and rubber prices rose from 32 cents a pound to 47 cents in the same period. In contrast, hog prices dropped from \$18.37 to \$11.37

rosperity Continues

Rising production, employment and sales apparent in nearly every part of New England economy in 1955; this trend continuing in 1956. One result: excellent outlook for sales of Canadian commodities, such as most fisheries products, lumber, sweet biscuits, and food specialties.

er 100 pounds; steer prices slid from $29.00 to 20.75. The higher prices for producer goods reflected ne pressure on material and equipment prices because f large expenditures on new plants.

On the other hand, wholesale and retail prices of many onsumer goods remained relatively stable, as high roduction and increased competition offset pressures leveloping from growing consumer demands. However, the Boston Consumer Price Index reached its highest level in history in October—1·3 per cent above the January level. Sharp increases occurred in prices of services.

Wages Climb

New England's workers shared in the general prosperity. Weekly earnings at year's end averaged $5.40 above January 1955. Connecticut showed the greatest relative advance, followed by Vermont and Massachusetts. Notable wage increases were obtained in the transportation, road construction, building, steel fabricating, shipbuilding, meat packing, rubber, aircraft, machinery and metalworking and paper industries. Some increases were the result of nationally negotiated settlements.

Wage levels in the cotton textile industry remained largely unchanged and pay rates in the shoe industry changed little. Some increases took effect in retail trade and in Federal Government offices such as the Post Office. Increases based on major automobile industry settlements were secured by workers at New England assembly plants of Ford and General Motors. About 35,000 employees of the General Electric Company also received a raise in pay based on the company's national agreement with the union.

Construction Sets New Record

New England set another record for construction in 1955, when contract awards for the six-state area were 19 per cent ahead of 1954 and exceeded $1·6-billion in total value. Non-residential building contracts increased; so did manufacturing, religious, social and recreational building. Public works contracts were important in the overall picture (particularly for highways) and were up 85 per cent over 1954.

The lumber industry benefited from the booming construction activity: demand for lumber and flooring was heavy and market prices of many species increased. Demand for Canadian lumber was brisk—particularly for eastern spruce which unfortunately remained in short supply. Western spruce from Canada has made great strides in the New England market in recent years and last year's sales were especially good. The New England furniture industry also shared in the general prosperity and helped to improve demand for some Canadian hardwoods.

Fisheries—a Lucrative Market

Canada continued to enjoy a lucrative market for her fisheries products in New England in 1955. Sales of fresh and frozen fillets went up, with emphasis on frozen blocks and slabs to supply New England's steadily expanding fish stick industry. Toward the end of last year, however, it became evident that the industry was over-producing. Competition increased and a number of the smaller stick producers were forced to the wall. This trend has continued in 1956. The heavy production of late 1955 has also forced curtailment of output in the first half of this year to reduce inventories, with consequent slackening in the demand for fish blocks from Canada. However, sales should improve in the second half of the year, although production and consumption of fish sticks are not expected to reach the 1955 figures.

Demand for fresh and frozen lobster meat from Canada was heavy and a number of our packers did an excellent business. There are good prospects for increasing our shipments of other shellfish such as crabmeat, clams and oysters, provided dependable sources of supply can be found and great care exercised to safeguard quality.

The Massachusetts Fisheries Association again pressed the Federal Government to grant hearings before the

Tariff Commission with a view to imposing restrictions on imports of groundfish fillets. This request for a hearing was ultimately withdrawn at the suggestion of economic advisers at the White House, pending a federal survey and a report on conditions in the fisheries. Early in 1956, however, a renewed request for a hearing was granted and briefs were presented before the Tariff Commission beginning June 5th. The Tariff Commission's recommendation will probably not be known until early autumn.

Marketing Co-operative Formed

A marketing co-operative comprising some twenty Boston fish producers and processors was formed early this year and thus far it seems to have helped in stabilizing the price of haddock landed at Boston. The outlook at the Boston Fish Pier is more optimistic than for some time. Fishermen and the industry generally are heartened by the increased attention which the fisheries are receiving from the lawmakers in Washington.

Although there will probably be some reduction in our shipments of fish blocks this year, our exports of all fisheries products to New England should continue high.

Dairy and poultry products form the basis of New England's agricultural production. In both categories, net returns to farmers improved in 1955. The livestock industries benefited from lower grain prices which helped to offset other increased farm costs. Egg and milk prices were slightly higher but broiler prices were lower. A large crop of potatoes was marketed at low prices. Milk production was unusually high in the autumn.

Outlook for 1956

Business activity in New England at the beginning of 1956 was higher than in any postwar year. There was a further slight increase during the first quarter, with all major industries posting year-to-year gains. Building contracts awarded were 21 per cent ahead of the same period of the previous year. With a year-to-year gain of about 100 thousand workers in non-agricultural jobs, higher wage rates generally, and longer hours, take-home pay was considerably above a year ago. Retail sales by large department stores have been about 1 per cent below year-ago levels. Commodity prices have increased slightly, mainly because of advances in metals and metal manufactures and some recovery in farm products. The metal-using industries are finding a growing demand, particularly for producers goods such as machinery and electrical apparatus. Shoe factories were operating at levels above those of 1955 and first-quarter production, at 60 million pairs, was a new record. Even in the cotton and synthetic fabrics industry, first-quarter activity has been moderately higher than a year ago.

According to the latest report by the Federal Reserve Bank of Boston, Massachusetts manufacturers plan to spend $266 million for new plant and equipment in 1956, 21 per cent more than they spent last year. Emphasis will be on the durable goods field.

Prospects for Canadian Sales

Canadian exports to this region should show gains in coming months. The recent establishment of a plan whereby the U.S. Customs will advise Canadian firms on valuation of their products for export to the United States will be of great assistance. Not only will it make the exporter's task easier—it should also encourage many new firms to try their hand at selling south of the border.

The year 1955 has turned up some excellent openings in New England for manufactured consumer goods from Canada, particularly fancy biscuits. Several Canadian manufacturers are now finding an excellent demand for these products and sales have increased significantly. Prospects for sales of confectionery and other food specialties are also bright. With its high per capita income and standard of living and its dense population, New England offers a close, lucrative and dynamic market for enterprising Canadian exporters.

African Exports Expand

In spite of some serious obstacles to economic expansion, the countries of Africa have been holding their place as world traders.

Actually, according to a review of economic activity in Africa recently completed by the United Nations, African exports (which account for about six per cent of the world's total) expanded at a greater rate than world exports in 1954. And, in the first half of 1955, they were valued at $2,418 million —$48 million more than in the corresponding period of the previous year.

The range of African exports is narrow. In terms of value, the principal ones are: oilseeds, cocoa, copper, coffee, cotton, wool and hair, fruits and nuts, wine, sugar and diamonds.

In some countries one commodity brought in more than 90 per cent of the export earnings and, in the majority of countries, three products accounted for over 50 per cent of total value of exports.

Increased production of export crops was largely responsible for an overall increase in African agricultural output in 1954. Dollar-earning crops, such as sisal, pyrethrum, cocoa, sugar and cotton, were larger. Most production is for subsistence only and tribal systems of land tenure and other customs are barriers not likely to disappear quickly. However, efforts are being made to increase production.

What Canada Sells to Argentina

New trade regime in Argentina has increased opportunities for dollar area goods to some extent. Here is information on Canadian products with best sales potential there at present.

C. S. BISSETT, *Commercial Counsellor, Buenos Aires.*

THE PRINCIPLE OF DIVIDING THE WORLD into currency areas remains a cardinal point of Argentina's foreign exchange control regulations. However, the changes in these controls which occurred in October last (see the report entitled "Argentina Relaxes Exchange Controls" in *Foreign Trade* of December 24, 1955) did make them less rigid by establishing a free exchange market for a restricted list of products. This list, it was estimated, might account for up to 8 per cent of the annual imports. Until then, no goods could be imported from any currency area unless the shipment had been previously covered by an import and foreign exchange permit. These requirements have now been eliminated for the small segment of the import trade covered by the free market.

Favourable Factors

Because of this factor, the sales prospects for dollar area goods have improved because free market imports are no longer dependent on the sums of dollar exchange held by the Argentine Central Bank, but only on the sums that can be bought in the free market. Another factor of greater importance which has contributed to the increase in dollar area imports in recent months is the devaluation of the peso from several rates between 5.00 and 14.00 pesos to a single rate of 18.00 pesos to the U.S. dollar. Not only did Argentine export products immediately become much more attractive in price in international markets, but many types of goods, not previously exportable because of very high price when converted into foreign currencies, became competitive overnight. Some of them—for example, cotton piece goods—can under-cut the prices of long-established exporting countries. This export movement is only slowly getting under way but it is certain to result in appreciably greater overall earnings of foreign exchange.

Price-wise, both Argentina's traditional and its new export products have become more attractive to dollar area buyers. The result has been increased dollar earnings which have been translated into greater imports from the dollar area. This trend is expected to continue throughout this year.

Eligible Dollar Area Imports

Argentina provides a potential market under present conditions for only a limited range of Canadian goods. Included are those which can be imported from any currency area through the free market, plus those declared eligible for import through the official market at an exchange rate of 18.00 pesos per U.S. dollar.

The free market goods, not subject to a surcharge, consist mainly of various spices, special papers, printed books and maps, certain acids, husks and barks, essences and ethers, gum-resin, roots and various medicinal products, certain chemicals, some edible seeds, spare parts for bicycles, marine diesel motors and electric power generators. Those subject to a surcharge of 20 pesos per US$1.00 of invoice value are mainly engines for motor vehicles and also a restricted list of spare parts for motor vehicles; spares for machinery, sewing and business machines, cloth-cutting machines, dynamos, alternators and electric motors; circular saws; sewing machine needles and dictaphones. However, periodic additions are made to this list. In time it is hoped that the free market can be greatly expanded and that finally the official market can be abolished. This is not likely at any early date.

Periodically the Argentine Central Bank announces the dollar area goods which may be imported through the official market, as supplies of them are needed. They require a previous import and exchange permit. Goods eligible neither under the free market nor the official market rules may not be imported at all, except under a special permit issued in each single case by the Bank. Goods made eligible to date by the Provisional Government consist mainly of prime materials for further processing by Argentine industry, including primary metals and minerals; industrial machinery and equipment, including electrical, metalworking and mining; railway diesel locomotives rolling stock and equipment; iron and steel shapes and forms; fuels (i.e., crude petroleum and coal); certain drugs; industrial and pharmaceutical chemicals; complex medicinal and pharmaceutical specialties; wood pulp; paper, including

newsprint; synthetic rubber; synthetic fibres; anti-corrosive varnishes; refractory and ceramic materials; plastics; seeds and plants.

Canadian Sales Opportunities

Sales opportunities for Canadian goods are limited almost entirely to the general categories of products mentioned above. There are no restrictions on the import of goods covered by the free market but those which can be imported through the official market are carefully selected within each category before dollar exchange is granted. The dollar area article must be thoroughly attractive in price, quality, suitability, delivery, etc., in competition with a similar one offered from other currency areas, before the Bank will consider the allocation of dollar exchange. This is due first to the need to conserve dollar exchange for only the most essential goods and second, as a measure of protection to local industry. Generally no exchange will be granted to import a product already produced in the country in a quantity sufficient to supply the demand. Where there is an excess of demand over local supply, exchange will be granted only to the extent of the excess demand.

The establishment of the free market did not particularly benefit Canada's exports to this country because Canada, with few exceptions, has not been an exporter of the eligible products. However, some business could be obtained in special papers, printed books, certain chemicals, and certain types of spare parts for machinery.

Greater opportunities for increased trade can be found among the goods allowed import through the official market even though these remain subject to restricting controls.

Canada's 1955 Exports

The major exports to Argentina last year included certified seed potatoes, newsprint and wood pulp, parts for agricultural machinery, and tractors. The table below gives the value of these and other leading exports:

Article	*1955*	*1954*
	(Value, Canadian dollars)	
Newsprint paper	2,047,407	1,786,298
Asbestos fibres and shorts	1,577,133	205,745
Wood pulp, sulphite	1,270,337	1,913,077
Tractor spare parts	261,850	108,984
Agricultural machinery parts	243,476	149,836
Certified seed potatoes	185,897	....
Machinery and parts n.o.p.	174,451	....
Iron and steel bars, plates, sheets, etc.	160,963	51,247
Synthetic resins	153,206	....
Fine nickel	147,348	65,759
Iron blooms and billets	85,487	....
Motor vehicle parts	76,518	4,035
Calculating machines and parts	74,580	....
Material for ship repairs	55,000	....

Source: Dominion Bureau of Statistics.

The seed potato business is not an annual one because Argentina imports these potatoes only every second or third year. The purebred cattle ($26,700 in 1955) are chiefly Holsteins for the improvement of local herds. The business obtained in wood pulp and newsprint is merely the excess of demand over the supply obtainable from European countries. However, this trade has held up over the past two years and last year it accounted for almost half of the total Canadian sales. Present European shortages indicate that Argentina will find it necessary to continue to buy these products in the dollar area and Canada should be able to hold this trade, provided that supplies continue to be available.

Further Opportunities

The trade in iron and steel products is relatively new and worthy of greater attention. That in engines, machinery, vehicles and tractors is almost wholly for spare parts to service existing equipment. The imports of asbestos fibres and manufactured goods are standard items; the latter does not include any brake lining. The sales of synthetic resins are new and interesting. There are further opportunities for these in the Argentine plastics and paint industries. Drugs and chemicals ($24,617 last year) also provide openings for increased sales to supply the excess of demand which cannot be filled by the well-established local chemical industry.

In the September 1 issue of "Foreign Trade" Mr. Bissett will analyze United States exports to Argentina in 1955. This may suggest opportunities to Canadian exporters of similar products—Editor.

Trade Commissioners on Tour

C. S. BISSETT, Commercial Counsellor for Canada in Buenos Aires, Argentina, began his Canadian tour in Montreal, July 30-August 10. His itinerary is:

Toronto—August 13-24
Windsor—August 27
Hamilton—August 28-29
Kitchener—August 30
St. Catharines: Welland—August 31
Vancouver—September 10-14
Ottawa—October 24

Businessmen in the various centres may get in touch with Mr. Bissett through the Board of Trade in Montreal; Chambers of Commerce in Hamilton, Kitchener, St. Catharines, Welland and Windsor; the Canadian Manufacturers Association in Toronto, and the Department of Trade and Commerce in Vancouver and Ottawa.

General notes

Argentina

NEW INDUSTRIES—The Argentine Central Bank has announced its approval of three new projects under the Foreign Capital Investment Law. The first is a factory to produce incandescent mantles for pressure lamps and lanterns to be built by Messrs. S. F. Products Corporation of the United States. The second is a factory to make chloromycetin by Messrs. Parke Davis and Company of the United States. The third project approved is a factory to produce long-fibre rock wool by Messrs. Gruenzweig and Hartman, A.G. of Germany—Buenos Aires, July 5.

Australia

TRADE BALANCE—Australia's trade deficit for the fiscal year 1955-56 totalled A£36·8 million, compared with a deficit of A£69·5 million in the fiscal year 1954-55. Preliminary figures show export earnings at A£784·2 million, an increase of A£10 million over the previous year, and spending on imports at A£821 million, down A£22·7 million from 1954-55. In June, the surplus of visible trade reached A£9·8 million and this aided in reducing the trade deficit, which stood at A£75·7 million at the end of March 1956. This marks the second successive year in which Australia has had a visible trade deficit—Sydney, July 6.

Cuba

EXPORTS—Cuban exports in 1955 totalled $594 million. Main groups were: sugar and by-products, $474 million; minerals, $35 million; foodstuffs other than sugar, $14 million; tobacco, $43 million; forest products, $8 million; animals and by-products, $6 million; metals, $4 million—Havana, July 12.

India

PAPER INDUSTRY—Twenty units are currently manufacturing paper and board in India, as against 17 at the end of 1950. The annual installed capacity of these units expanded from 137 thousand tons at March 31, 1951, to 211,900 tons at December 31, 1955. Production during 1954 reached 183,490 tons, and is expected to increase to 450 thousand tons by March 31, 1961, the end of the Second Five Year Plan. With the spread of literacy, it is expected that the per capita consumption of paper and paperboard will go up from the present 1·9 lb. to 3 lb. during the same period. At present there is only one newsprint mill in India, which started production in 1955 and has an annual capacity of 30,000 tons, although its present output is much less. The target for 1960-61 is 100 thousand tons, with the establishment of new mills—New Delhi, July 9.

Indonesia

COPRA FOUNDATION—The Government has announced that the Copra Foundation (Jajasan Kopra), which has control over the purchase and sale of all coconut products, is to be liquidated and succeeded by a copra co-operative. The Copra Foundation will transfer its work to a special committee, composed chiefly of representatives of the copra producers, by July 12, 1956, and the committee must establish the new organization by July 12, 1957—Djakarta, July 5.

Pakistan

OIL EXPLORATION—A recently signed agreement between the Government of Pakistan and a well-known United States petroleum company provides for increased oil exploration. The United States company will conduct a seismographic survey, followed by an oil drilling program, in an area of 20,000 square miles in West Pakistan along the coast of the Arabian Sea from Karachi toward the Iranian border. American geologists are reported to be optimistic over oil possibilities in this area—Karachi, July 4.

South Africa

BUDGET SURPLUS—The Union surplus for the fiscal year 1955-56, which had been estimated at about £12 million, actually totalled over £19 million. The whole of the surplus has been credited to Loan Account to be used for capital expenditures—Cape Town, July 10.

INDUSTRIAL PROGRESS—Preliminary figures from the latest available industrial census, 1952-53, indicate the growing importance of industry in the South

African economy. Gross industrial output rose from £962·2 million in 1950-51 to £1,165·2 million in 1952-53 and the rise appears to be continuing. Estimates for 1954-55 show that private manufacturing makes the largest contribution to the net national income, accounting for 26·4 per cent of the total as against 14·2 per cent for agriculture and 13·6 per cent for mining—Cape Town, July 10.

United Kingdom

PRODUCTION—British industrial production in May continued the downward trend shown in April; the index of industrial production for May is provisionally estimated at 135-136 (1948=100), compared with a revised figure of 136 for April. In 1955 the corresponding figures were 140 and 134. Production during the first five months of this year rose less than ¾ per cent; in the same period last year there was a rise of 6 per cent. The average index for the last three months was 137 compared with 139 in 1955, a decline of 1·4 per cent.

In the first five months of the year there was no great change in the manufacturing output compared with last year; figures for March and April are given as 142·5 and 144. The effects of the maintenance overtime ban on steel output and cutbacks in other manufacturing industries, particularly car production, probably contributed to the decline in the index figures for this year. They contrast sharply with the 1955 figures which showed an 8 per cent increase in the first five months, compared with a 6 per cent increase for industry as a whole—London, July 20.

GOLD AND STERLING RESERVES—During June, sterling area gold and dollar reserves rose by $16 million to $2,385 million, a total gain for the first half-year of $265 million. This compared with a loss of $83 million in the same period last year. The June surplus was the smallest this year (May, $41 million; April $51 million; first quarter average, $52 million). This drop was partly the result of special payments and also of adverse seasonal factors and is not viewed with dissatisfaction.

In addition to routine payments on United States and Canadian dollar loans, Britain has now started repayments on the outstanding loan element of Marshall Aid with a payment of $4 million in June. The quarterly $8 million on the Canadian interest-free loan was remitted.

Defence aid received from the United States totalled $2 million, and $16 million came in from the European Payments Union, representing a 75 per cent settlement of the U.K.'s May surplus of £8 million. The usual $2 million monthly payment on old debts was made to the EPU. In June Britain had a trading deficit of £9 million with the EPU which is due to be settled in July—London, July 20.

United States

FOREST PRODUCTS—Michigan timberlands have been the scene of several important developments in recent months. A major producer of wallboard has announced the purchase of 200 thousand acres of woodland in the Upper Peninsula and, it is reported, will build a $6-million fiberboard plant at L'Anse, on Lake Superior. The new mill will use northern hardwoods. In the same area of the Upper Peninsula, a Chicago firm is reported to have purchased a paper mill, idle since 1954, at Ontonagon. The new owners plan to spend some $2·5 million converting the plant to a semi-chemical pulping operation for the production of corrugating medium. A third development has taken place at Cheboygan, near the northern tip of the Lower Peninsula, where a Wisconsin firm has acquired a paper mill closed since June 1953. After a $1-million renovation, the plant will begin operations early in 1957—Detroit, July 23.

Venezuela

NEW PIPELINE ESTABLISHED—The Venezuelan Minister of Mines and Hydrocarbons has approved the construction of a new 20″ pipeline. The new line will run from Campo Silvestre in the State of Barinas to the deep-water port of Puerto Cabello, a distance of 340 kilometres. Capacity with one pumping station which is now being built will be 100 thousand barrels a day. Additional pumping stations will be built as production in Barinas increases. The project will cost roughly $26 million. When completed, it will make possible substantial exports of crude oil from this state for the first time—Caracas, July 13.

RETAIL MERCHANDISING—The Operations Manager of the International Basic Economy Corporation, Food Division, has announced that the company will have nine supermarkets in operation in Venezuela by the end of 1956. Modern shopping centres are now open in Caracas and Maracaibo, and new stores are being built in Anaco, Estado Anzoategui; Judibana, Estado Falcon; Lagunillas, Estado Zulia, and Barquisimeto, Estado Lara. The company's investment in these retail outlets will reach approximately $6 million by the end of this year. Total sales are now running at about $15 million a year. Many of the new outlets will be established in oil company towns previously served by camp commissaries. The principal purchasing offices of IBEC are located in Caracas, New Orleans, and New York—Caracas, July 13.

Shipping by Truck to the Midwest

Many Canadian exporters to the Midwest States of products as varied as footwear and fish, printed matter and packinghouse products, are finding commercial trucking services both speedy and efficient.

G. A. NEWMAN,
Deputy Consul General (Commercial), Chicago.

IT IS DIFFICULT to think of commercial transportation without trucking services. The network of highways with huge trailers and motor carriers moving over them is a part of our everyday life, yet this form of commercial transportation in the United States has become important mainly in the last twenty years. Between 1925 and 1935, truck registrations rose only from 2·4 million to 3·4 million and in the next decade, by only a further million. But in the ten years between 1945 and 1955 the registrations doubled from 4·8 million to 9·6 million vehicles.

Trucking Services Available

The present practice of both store and plant of carrying small inventories and depending on manufacturers to supply continuously and promptly at comparatively short notice places strong emphasis on quick door-to-door delivery.

Consequently, the ability of Canadian firms to compete in the United States market often depends upon the types and the speed of transportation services. In certain fields, it is an advantage to be able to assure prospective customers in Chicago, Indianapolis or other Midwest points that second-morning delivery from Toronto is possible—or that there is an equally fast service between Winnipeg and Minneapolis. This is feasible because of the close working arrangements between a number of established motor carriers in this area and equally responsible trucking firms in Canada.

There are, of course, other forms of transportation available and this has been recognized in earlier articles dealing with rail and water transport services. (See *Foreign Trade* of February 18, 1956, and April 14, 1956.)

A canvass of the motor transport services in Chicago and the Midwest states reveals that fully mechanized, efficient and up-to-date terminal services are in operation, with carrier vehicles of nearly every type. Most of the road transport firms do not find it too difficult to obtain northbound freight; they get an increasing share of the approximately $3·4 billion worth of goods of all descriptions—from citrus fruits and vegetables to highly manufactured products—which Canada buys each year from the United States.

Southbound Cargoes Needed

The problem is securing compensating southbound cargoes of Canadian products for the United States markets. At present the products being carried from such points as Toronto in eastern Canada to and around Chicago include textiles, machinery, chemicals, farm equipment, sports equipment, printed matter, metals, liquors, automobile parts, foods, rubber goods, mining equipment, electrical equipment, packinghouse products, footwear, casein, glassware, and fish. From western Canada the truckers take mainly packinghouse products, fish in season, grass seeds and forage crop seeds, whisky, and agricultural implements.

Motor carriers report that the establishment of sufferance warehouses in Winnipeg and Toronto has eased the burden of customs inspection at the border. Northbound traffic can now be put in bond at the border and examined at the sufferance warehouse while it is being unloaded at either of these two cities.

For Further Information

Canadian exporters to the United States should examine all modes of transportation open to them when they are quoting for the Midwest market, bearing in mind the type of product, the speed of service, and the cost of such transportation. Information on trucking services can usually be obtained from local Chambers of Commerce.●

Forest Products for Australia

Further experiments in using hardwoods and greater efficiency in forest industries may help Australia to make maximum use of its limited timber supplies. But imports will continue to play important part, with North America holding its place as an overseas supplier of structural timbers, pulpwood, and newsprint.

R. W. BLAKE, *Commercial Secretary, Melbourne.*

Workers loading billets from eucalypt trees to be used for pulping. By mixing hardwood pulp with softwood pulp, Australia produces about one-third of its newsprint needs.

AUSTRALIAN CONSUMPTION OF TIMBER is about 80 per cent hardwood and only 20 per cent softwood—exactly the reverse of most timber-using countries. This is the result of the geography of the country and its predominantly dry climate which has limited the forest area. Most of the growth is hardwoods. With a good supply of indigenous hardwoods and a long costly haul for imported softwoods, the Australian consumer has experimented with, and has achieved considerable success in, using the material at hand.

The obstacles of greater weight, greater resistance to sawing, nailing and screwing, and the tendency to split have been overcome, although there is limited opportunity to take advantage of the comparatively greater strength of these timbers.

Before World War II about 25 per cent of Australian production was softwood which, with relatively large softwood imports, provided about half of Australia's total timber consumption. The present dominance of hardwood consumption reflects the reduction in local supplies of softwood, postwar world shortages of timber, and Australian import restrictions which have prevented the increase of softwood imports.

The total land area of Australia is a little less than three million square miles but the total forested area is only about 160 thousand square miles, or approximately 5 per cent. Only about 3½ per cent of this represents softwoods and 50 per cent hardwood. This area of 160 thousand square miles contains a large proportion of very low-grade forest, and it is generally estimated that the prime forest area in Australia is only about 20,000 square miles, or less than 1 per cent of the total land area. It is unlikely to increase because the climatic conditions are unfavourable.

Improved Methods Necessary

However, according to some research workers, there is a terrific waste in Australian forestry methods because of the large number of small sawmills in operation, which do not lend themselves to an integration of sawmilling with pulping and other industries so that maximum utilization of the forests can be secured. Present sawmill production comes from over 3,000 mills and it is estimated that at least two-thirds of these have a capacity of less than 5,000 super feet per

day. Nearly all the remainder are in the 5,000 to 15,000 super feet per day group.

Efforts are now being made to attract overseas firms to establish processing plants to use forest waste products and low-grade timber unsuitable for milling. If successful, this would help to reduce the fire hazard and assist with the regeneration of new timber.

The feeling also persists that it is time for Australian foresters to pay more attention to increasing the production of the forests by improved silviculture, by experimenting to find out which species of hardwood and softwood grow best in certain areas, and by breeding experiments.

Research workers point out that even in the one species there is some variation in fibre length from tree to tree, and work is being carried on to investigate the possibility of selecting and growing pinus radiata with longer than normal fibres to obtain pulps of high tear characteristics.

Use of Hardwoods

A great deal of research to find ways and means of using the indigenous hardwoods of Australia has been carried on for many years and some excellent results have been achieved. Probably the most significant scientifically and the one which most affects the Australian economy is the utilization of pulp made from the hard eucalypt trees to make good-quality newsprint. By blending the short-fibre hardwood pulp with the long-fibre pulp from softwood, Australia is now able to produce about one-third of its newsprint needs. The proportion used is about 80 per cent hardwood pulp to 20 per cent imported softwood pulp.

Variations of the percentages of hardwood and softwood pulp are used to overcome the low tearing strength of the eucalypt chemical pulps, to produce container boards, wrapping and multiwall bag papers.

A greater percentage of hardwood timber is also being used in other ways, despite the traditional advantages of softwoods. About 25 years ago 80 per cent of Australian flooring was in softwoods. Now the situation is reversed and about 80 per cent of flooring now consists of hardwood. In box manufacture, where softwoods have obvious advantages, native timber has been employed.

Australian Output

Climate and geography operate against any rapid increase in the contribution to Australia's timber needs from local sources. The natural hardwoods grow slowly, so that a given area under such hardwood forest yields a comparatively small quantity of timber. Planted softwood forests will give greater yields in a shorter time, but this is a long-term venture and will depend on the limited area where conditions are suitable and where the timber is within reasonable distance of transport and processing facilities.

At the present time, Australia produces about 80 per cent of the timber it requires and imports about 20 per cent. According to S. A. Clarke, Chief of the Commonwealth Scientific and Industrial Research Organization Forest Products Division, if no changes were to take place in local production, then with a future possible population of 20 million and the same per capita consumption, Australia could produce less than 40 per cent of her sawn timber requirements and the remaining 60 per cent would have to be imported.

It seems clear, therefore, that Australia will have to import a substantial and probably a growing proportion of her future needs, mainly softwoods from North America, Scandinavia and New Zealand. Increasing quantities may be imported from countries near to Australia such as Indonesia, Borneo and Malaya, who have expanded their supplies in recent years, but these are mostly hardwood and could yield a proportion of plywood logs.

New Zealand Supplies

New Zealand is shipping pulp to Australia to be mixed with eucalypt pulp to make newsprint and other papers, and the expansion of plant in New Zealand promises to make available substantially increased quantities of pulp and possibly paper as well.

Australia only produces a third of her own newsprint requirements at present, and as these needs will surely expand rapidly in future, it is unlikely that the local industry will meet local demand for many years to come. It may be possible, however, to obtain a greater yield from existing eucalypt forests in Tasmania.

Australian consumption of sawn timber per head of population was about 195 super feet in 1954-55 (142 in 1938-39), and the demand is expected to expand. Imports of sawn timber totalled 352 m. super feet and local production about 1,400 m. super feet a year.

Assuming that Australia raises local sawn production by 20 per cent in the next 25 years, and per capita consumption stays at the existing level (a conservative estimate), imports of sawn timber would have to rise from the present 350 m. super feet to about 1,800 m. super feet yearly.

For ordinary uses of timber, such as building, furniture, plywood, etc., it is very unlikely that New Zealand could meet all of Australia's needs, although the fact that it is in the sterling bloc makes it an attractive source, and increased imports would help to balance Australia-New Zealand trade. Moreover, New Zealand will be offering mainly softwoods such as pinus radiata. This has not yet been fully accepted in Australia as a

building material but it has made some headway in New Zealand. As larger quantities become available in Australia, its use there will also increase.

The Outlook

To sum up, Australia's rapidly expanding population will call for an increasing supply of forest products which will have to be met by stepping up imports. New Zealand will be able to supply increasing quantities of pulpwood and some building softwoods, with nearby Asian countries supplying more hardwoods.

Scandinavian countries will also make their contribution. However, it seems reasonable to assume that North America will continue to hold its place as a supplier of structural timbers, pulpwood and newsprint, and the opinion of the trade is that even more supplies will be required from Canada and the United States than at present.

Kenya Exports Rare Woods

Podocarpus, camphorwood, cedar and cypress from Kenya are widely sold abroad to consumers who value their durability and beauty of grain. Cedarwood oil made in the colony also goes to foreign customers.

WILEY J. MILLYARD, *Trade Commissioner, Salisbury.*

KENYA EXPORTS over a dozen types of timber, both hardwood and softwood, and some of these are durable enough to compete with teak from the Far East and greenheart from the Caribbean area. Flooring blocks made from Kenya timber are among the best in the world for lasting quality, beauty of grain and a pleasant aroma that lingers long after floors are laid.

There are two principal groups of timber exporters and between them they control over 50 mills; the largest has a capacity of 1,100 tons per month and the average is about 200 tons. The Government issues cutting licences for a 20-year period and the mills pay a sliding royalty on their cut which is linked to the selling price and revised once a year. The royalty varies with the rarity of the wood and ranges from 22 per cent on podocarpus down to 13 per cent on cypress.

Softwoods Replacing Hardwoods

The demand for the indigenous timbers (mostly hardwoods) over the last 40 years, both for internal and external use, has been heavy and reforestation is a slow process. For this reason, the present policy is to plant exotic softwoods (principally cypress and pine) which grow easily. These will therefore play an increasingly important role in the timber trade and in time furnish the basis for a cellulose industry.

Podocarpus, camphorwood, cedar and cypress are four of the best known woods now exported. Podocarpus

Principal Markets for Kenya Timbers, 1954

	PODOCARPUS		CYPRESS		CAMPHORWOOD		CEDAR	
	cu. ft.	£	*cu. ft.*	£	*cu. ft.*	£	*cu. ft.*	£
United Kingdom	58,060	26,271	....	....	12,060	6,437	3,292	1,317
Australia	2,439	1,313	6,386	2,763	....	....	12	5
Greece	6,123	1,746	....	....	....	....	749	167
Union of South Africa	666	333	25	13	....	....	133	101
Italian Somaliland	....	....	5,567	2,254	....	....	....	....
Other countries	1,851	1,940	645	327	1,575	950	....	....
	69,139	30,603	12,623	5,357	13,635	7,387	4,186	1,590

attains a height of up to 120 feet, often with 50 to 70 feet clear bole, straight and cylindrical; the wood is white or pale brown (similar to white pine but not resinous) with a fine and even texture, and the growth rings are not visible. It is the standard building and general joinery wood of East Africa and is slightly harder than commercial softwoods. It takes paint or varnish extremely well and makes a good quality plywood.

Camphorwood is a remarkably strong wood, said to be superior in strength to Honduras mahogany. A yellow or golden brown when it is first sawn, in time it darkens to a deep brown colour, almost black. This process can be halted by applying a colourless varnish when the desired hue has been reached. It is used for panelling, furniture, boat-building, flooring and battery separators. It too is a tall tree and the logs average three feet in diameter.

East African cedar is in fact a juniper—the largest juniper in the world, growing to a height of 140 feet and 10 feet in diameter. There is a narrow band of white sapwood but the heartwood is red, varying in shade from pale yellow-brown to deep purple-red. For many years considerable quantities have been exported to Europe for the manufacture of lead pencils and penholders and for wardrobe lining.

Non-Kiln-Dried Shipments

Kiln drying is not used in East Africa. Instead the timber is allowed to stand until it is reduced to about 20 per cent moisture content and then it is shipped. Experience has shown that it arrives at its overseas destination in good condition. The main markets for Kenya timbers in 1954 are shown in the table on page 22.

Cedarwood Oil for Export

As a by-product of the timber operations, cedarwood oil is produced in sufficient quantity for export. The principal demand is from furniture manufacturers in widely separated parts of the world who today cannot obtain enough of this oil from domestic sources and must rely on overseas producers such as those in Kenya. In 1955 the price averaged from four shillings per pound f.o.b. mill, and there have been no violent fluctuations thus far in 1956. Hard-pressed users in Canada may well be interested in testing Kenya cedarwood oil and the Office of the Trade Commissioner in Salisbury can supply particulars upon request. In 1954 Kenya sold cedarwood oil as follows:

	lb.	£
United Kingdom	31,750	5,363
Australia	2,221	333
France	6,479	1,260
Netherlands	11,395	2,335
United States	1,693	400
Total	53,538	9,691

Japan Grows More Food

IN CONTRAST WITH some other areas of the world, Japan's most pressing agricultural problem is to increase production. Her cultivated land area of 600 thousand acres serves a population of 89 million, which is increasing at the rate of 1½ million a year. In order to maintain an average daily diet of 2,100 calories for each person, Japan must import large quantities of wheat, barley, sugar and vegetable oils. Main Canadian agricultural exports to Japan in 1955 were wheat ($52·7 million), barley ($5·7 million), flaxseed ($4·7 million), milling products ($2·4 million), rapeseed ($2 million) and hides ($1·2 million).

To carry out its aim of greater domestic output, the Government maintains an extensive farm-aid program including seed improvement, pest control, land improvement and reclamation, livestock increase, aid to silkworm breeding, extension services, loans to farmers, disaster rehabilitation and assistance to Agricultural Co-operatives.

Some progress is being made. Rice production of 400 million bushels last year established a new record, exceeding average yields by some 63 million bushels. Approximately 50 million bushels each of wheat, barley and rye represented better-than-average crops. Production of sweet potatoes reached 7·9 million tons, an all-time record. Rapeseed, tobacco and tea all showed substantial increases. Fruit production was somewhat lower than in previous years. Silk cocoon production, in keeping with Japan's increasing silk output, rose from 88 thousand to 116 thousand tons. Good growing conditions throughout Japan in 1955 were at least partly responsible for the bumper crops. Government agriculturalists also credit a marked improvement in methods and are confident that there will be further production increases each year.

Farm policies now in effect include a subsidized chemical pest control scheme and a six-year program to double livestock production, particularly of dairy cattle, swine, sheep and poultry. Reclamation and irrigation projects, underwritten by the World Bank, are planned for 147 thousand acres.

Most imported breeding stock for the livestock improvement program comes from New Zealand and Australia. Few animals are imported from Canada because landed costs are higher and Japan is short of dollars.

—W. G. PYBUS,
Commercial Secretary, Tokyo.

Bermuda has recently set up a free-port area in the old naval dockyard, part of which is shown here. Firms which establish themselves in this area are assured of certain privileges, such as tax exemption, and may carry on certain operations there.

There's Business in Bermuda

Banks curb credit but business is good and prospects reasonably bright. Trade and investment opportunities should attract Canadians; setting up of a free port area merits special study.

C. R. GALLOW,
Consul and Trade Commissioner, New York.

WITH FEW EXCEPTIONS, Bermuda businessmen are satisfied with last year's operations and are reasonably optimistic for this year. Bermuda's economy is healthy and has shown steady progress, although the rate of advance levelled off in 1955 largely because of tightened bank credit. This year business is expected to be as good as last year, but probably no better due to credit restrictions.

Banks Cut Loans

An analysis of Bermuda's balance-of-payments position early in 1955 indicated over-spending since 1951. The figures for 1954 revealed that total expenditures in all countries abroad in that year were some £750 thousand greater than total earnings, although the Colony realized a substantial dollar surplus in its trade with Canada and the United States. There was also evidence of over-supply in many products, particularly consumer goods for use of local householders. After the war a number of companies branched into new lines and now there may be three times as many firms stocking the same type of goods as in prewar. Increases in household equipment are most noticeable.

In an attempt to re-establish market equilibrium, Bermuda curbed the free flow of credit. About mid-1955 the banks raised the interest rates on loans and deposits. More important, they began to press actively for collection of outstanding debts and refused to grant new loans that seemed likely to aggravate the market situation.

Instalment Buying Restricted

One effect of this new credit policy was to reduce instalment buying. In Bermuda there are no financial organizations that underwrite instalment purchases. Each merchant has to arrange for time sales on his own resources. Apparently most firms financed this part of their business through bank overdrafts and loans. When a merchant sold household equipment on instalments, he arranged bank credit to replace his stock. Now, however, with the bank source dried up

ne is encouraged to collect outstanding payments as quickly as possible and look more to cash sales. Although this policy will probably restrict most firms, some with substantial financial resources of their own will find little need to cut down on imports or sales.

Most businesses have felt the effect of tightened credit, particularly the construction industry. Construction of new houses has fallen off, the building products market is stagnant, and the hardware trade is growing increasingly price conscious.

Canadians Pace Tourist Growth

The tourist industry is of paramount importance to Bermuda; it is practically the sole support of the Island's prosperity. The number of visitors last year was only 4 per cent greater than in 1954, compared with 12 to 16 per cent increases in recent years. Of the 108 thousand visitors to Bermuda in 1955, 91 per cent came from the United States, 6 per cent came from Canada, and 2 per cent from the United Kingdom.

Canadian visitors last year showed an encouraging increase over 1954 and 1956 is away to an excellent start. The number of Canadians who arrived during the first four months increased by more than 50 per cent. In general, the prospects are good for the tourist industry this year and the total number of visitors is expected to exceed last year's. Bermuda is increasing its tourist promotion efforts in the United States and individual hotels continue to promote business on their own.

The biggest problem of the tourist industry still is accommodation. The urgent need now is for a big new hotel to set the competitive pace for the existing hostelries, to encourage them to refurbish their buildings and to sharpen up their services. Some of them are making efforts to improve but others are either resting on their laurels or starting to slide. Unfortunately, it seems that funds to build a new hotel are not available from local residents; they will have to come from foreign sources and this can take a long time to arrange.

Opportunities for Exporters

Handling of import licences is reasonable and the authorities may relax restrictions on imports of some goods from dollar countries this year, although Bermuda will continue skeleton controls to meet any future difficulties.

Relaxed licensing which favours imports and the credit squeeze which tends to curtail them will influence trade with the Colony. The credit situation is not likely to have any marked effect on Canada's trade; only a small part of our exports are goods of the type that the credit restrictions cover.

However, there are two developments that could affect our exports seriously. The first is that Canada could lose the bulk flour market to American competitors who are underbidding most Canadian mills. Second, imports of fresh eggs now face increased competition from local poultry farms. Opinion varies on the extent of the competition in the egg market and whether it is likely to be permanent, but competition does exist and is now felt. Flour and eggs ranked second and third among Canadian exports to Bermuda in 1955 with a combined value of $400 thousand.

Despite long-standing associations between some Canadian exporters and Bermuda importers, there are still numerous opportunities for Canadians to enter that market. The following general list of commodities will indicate the range of goods Bermuda firms are seeking:

foodstuffs	Christmas trees
garden seeds	charcoal briquettes
shrubbery	candles
garden tools	light bulbs
insecticides	greeting cards
plant foods	cheap souvenir & novelty items
beekeeping equipment	handbags and wallets
poultry equipment	shoelaces
corn brooms	wooden clothes pins & hangers
mops	inner-spring mattresses
mirrors	motor scooters
paper bags	well-drilling equipment
egg cartons	

Interested manufacturers should send details of their products and prices (f.o.b. Atlantic ports) to:

The Canadian Consulate General
620 Fifth Avenue,
New York 20, N.Y.

Opportunities for Investors

Investment prospects merit special consideration because Bermuda has no income tax, no capital gains tax, no excess profits tax and no estate duties.

At the end of April legislation was passed setting up a free-port area in the old naval dockyard. It is a specifically defined area described officially as one—

> *"into which or from which goods, articles or things may be imported or exported or in which they may be manufactured, processed, assembled, packaged or stored without payment of any taxes or duties whatsoever."*

To take advantage of these facilities, a foreign firm can incorporate in Bermuda as an "exempted" company. Such a company pays a nominal annual fee of about $600.00 regardless of size or type of operation, but its activities are restricted. As part of the sterling area, Bermuda has exchange controls. Anyone who ships goods out of the area into Bermuda will have to pay the regular customs duties.

Companies which plan to incorporate for export purposes should discuss their future exchange requirements with the Currency Control Board before incorporating. This procedure assures that companies can operate to everyone's satisfaction from the start.

The reason for setting up a free port area is to diversify the economy of the Islands by attracting light manufacturing industries and firms interested in duty-free warehouse storage. Further details can be obtained by writing to the Bermuda Crown Lands Corporation, Hamilton, Bermuda.

Firms or individuals interested in opportunities for investment in the hotel business should contact the Bermuda Trade Development Board, Hamilton, Bermuda.

commodity notes

Argentina

FREIGHT CARS—The Argentine Ministry of Finance has just announced its approval of a proposal by a German firm to establish a metallurgical plant to produce all-steel railway cars, especially freight cars (both box and flat cars) as well as tank cars, mining cars and storage tanks for propane and petroleum products. It is estimated that the investment will amount to approximately US$2 million—Buenos Aires, July 5.

Australia

PAPER PULP—A new continuous pulping unit has recently been brought into operation at the Burnie, Tasmania, plant of Associated Pulp and Paper Mills Ltd. It is the first continuous digester to operate in the southern hemisphere; cost, including installation, exceeded £100 thousand. Pulp produced will go into the wide range of fine printing and writing papers which now supply a large proportion of Australia's needs—Melbourne, July 9.

Brazil

COTTON—Following reports of shortages on the domestic market for some types of cotton, the Brazilian Foreign Trade Department last week temporarily suspended all cotton exports while it studies the supply position for the next crop. Heavy rains in the cotton areas of São Paulo State have led to a sharp deterioration in quality and it is feared that exports of the better types may lead to an acute shortage for the Brazilian textile industry in later months. Because of the export restrictions, cotton prices on the São Paulo market declined sharply and trading was almost at a standstill—São Paulo, July 9.

COFFEE—Coffee exports during the first ten months of the 1955-56 crop year totalled just over 14 million bags, almost 60 per cent more than in the same period of the previous crop year—São Paulo, July 9.

Cuba

FROZEN FROGS' LEGS—Commercial exports of frozen frogs' legs to the United States, which began in 1938, have been steadily increasing and reached 425,868 kilos ($510,993) in 1955, compared with 325,001 kilos ($430,223) in the preceding year. More careful breeding, selection and packing practices will, it is believed, help to increase exports still further—Havana, July 12.

Federation of Rhodesia and Nyasaland

TIMBER—The Southern Rhodesia Forestry Commission is working on a long-term plan to supply all of the country's timber needs and to lay the foundation for a pulp and hardboard industry. Government plantations in the Eastern Districts now contain 15,000 acres of pine which is three times as much as

ten years ago. A few sawmills are already using locally produced pine.

Timber has long been Canada's leading export to Rhodesia and Nyasaland and in the first 11 months of 1955 shipments of planks of Douglas fir, hemlock, spruce and other woods totalled 25 million board feet, worth over $2 million. Although there is one local kraft paper mill, its production does not meet local demand and in the period January-November 1955, imports from Canada reached 580 tons, valued at $113 thousand—Salisbury, July 6.

France

AUTOMOBILES—French manufacturers expect to produce approximately 700 thousand passenger cars during 1956. During the first four months, 222,025 passenger cars came off the assembly line—an increase of 22 per cent over the same period last year when 181,961 cars were produced. There is still a heavy demand for cars in France and one large manufacturer has a backlog of orders on hand for a full year's production. With only one family in four in France owning a car, the industry is confident it can maintain full production for a number of years before the market becomes saturated—Paris, July 13.

ALUMINUM—Aluminum production in France during the first quarter of 1956 has increased over the same period of 1955; output of primary metal totalled about 32,800 metric tons, compared with 28,100 tons in the first quarter of 1955. Production of secondary smelting metal is running at about 3,000 tons a month, compared with 2,500 tons in the early months of 1955. Bauxite extraction has declined somewhat in comparison with 1955 and this decline is matched by the fall in exports. Exports of metal also have been below last year's figures—Paris, July 13.

Hong Kong

WOOLLEN GLOVES—The Hong Kong woollen glove industry is experiencing a boom and exports this year are expected to increase by about 40 per cent over last year. The increase is largely the result of bigger orders from the United States, which has been buying from Hong Kong rather than Japan. Prices of gloves in Hong Kong are approximately 10 per cent lower than Japan's and the trend toward increasing shipments from Hong Kong is expected to continue—Hong Kong, July 13.

India

INKS—India is producing certain types of printing inks, such as letterpress, offset and litho inks, in sufficient quantities to meet her requirements. The production of printing inks in India in 1955 reached 2,090 tons (1,675 tons in 1954). During 1955, the production of fountain pen ink in the country totalled 331,686 dozen 2-ounce bottles (597,606 dozen in 1954)—New Delhi, July 16.

PINE OIL—A new process for producing synthetic pine oil has been developed at the Indian Agricultural Research Institute, New Delhi. Some of the properties of this synthetic product are said to be superior to those of natural pine oil. Pine oil, which is a product of wood rosin and turpentine, is used in India as a wetting agent for textiles, as an ingredient in detergents, as a solvent and thinner for protective coatings, as a degreasing agent in leather manufacture and a softener for rubber, and as a constituent of disinfectants and pharmaceuticals. India's present requirements of pine oil, approximately 600 tons a year, are met almost entirely by imports from hard currency areas—New Delhi, July 16.

Jamaica

SHOES—In the first quarter of this year Jamaican shoe factories turned out 176,820 pairs of shoes, more than twice the number made in the Island's factories from January to March last year. Production of children's shoes has advanced most rapidly in recent months. The industry has grown steadily since 1952 when shoe imports were restricted by the Government. To achieve their present level of production, local shoe manufacturers import £201,744 worth of upper leathers annually. Canadian tanners who wish to obtain a share of this business can obtain the addresses of the factories from the Canadian Trade Commissioner here—Kingston, July 12.

Netherlands

ORNAMENTAL PLANT PRODUCTS—Netherlands exports of ornamental plant products in 1955 increased by 12 per cent, from 214·3 million guilders in 1954 to 240·9 million guilders. Exports to Canada amounted to 8·4 million guilders (1954, 8·2 million guilders). They included flower bulbs, 5·16 million guilders (5·11 million); trees and shrubs, 3·2 million guilders (3·0 million); cut flowers, 11,000 guilders (2,700), and potted plants 4,600 guilders (5,000). Total exports of flower bulbs made up 73·6 per cent of the overall total (1954, 74·3 per cent), cut flowers 14 per cent (13·4), trees and shrubs 10·2 per cent (10·2), and potted plants 2·2 per cent (2·1). Principal outlets for Dutch ornamental plant products in 1955 were West Germany at 48·7

million guilders, or 20 per cent of the total, the United Kingdom at 46·6 million guilders or 19 per cent, the United States at 43 million guilders or 18 per cent, Sweden at 31·3 million guilders or 13 per cent, France at 17·1 million guilders or 7 per cent, and Belgium-Luxembourg at 11 million guilders or 5 per cent—The Hague, July 19.

Norway

FERRO-SILICON—Norway's exports of ferro-silicon, primarily to Great Britain, Western Germany and Belgium, are expected to increase this year from 89,000 to 122 thousand tons. Although the United States and the Soviet Union are larger producers of ferro-silicon, with this increase Norway will be the world's largest exporter—Oslo, July 17.

NEW TIRES—A Norwegian factory in Vestfold plans to produce non-puncturable tires for bicycles, following successful experiments with foam rubber by a Norwegian chemist. The new invention is a combined inner tube and tire of cellular rubber. In tests, repeated high pressure applications have failed to crush the small bubbles of foam rubber which form the material. The company also intends to produce motorcycle tires of the same material—Oslo, July 17.

COAL—In spite of a severe Arctic winter season, coal production at Spitzbergen was very satisfactory; the first shipments were earlier than usual this spring. According to a report published by the Ministry of Industry, Norway's mines hope to ship 375 thousand tons of coal from Spitzbergen this summer, compared with 300 thousand tons last year. There is considerable demand for Spitzbergen coal in a number of countries, mainly Western Germany, Sweden and Denmark—Oslo, July 12.

South Africa

WOOL—The Union's income from wool for the 1955-56 clip showed a drop of £5·4 million from the previous season, although the clip was more than 8 per cent larger by weight. Prices, which early in the season had been running about 15 per cent below 1954-55, firmed to only 5 per cent lower at the close of the sales—Cape Town, July 5.

GOLD AND URANIUM—Production of gold continued its steady rise to set a new record in May of 1,349,598 oz. valued at £16,780,002. The previous record was set in March of this year when 1,298,432 oz. were produced. The opening of a new gold and uranium producer in June by the Governor of South Africa served to emphasize the continuing expansion of gold mining and uranium extraction in the Union. This is the latest of five mines so far established in the Klerksdorp area—Cape Town, July 12.

South West Africa

MINERALS—The value of last year's mineral production totalled £28·3 million compared with £20·3 million the previous year. Of this amount, diamonds accounted for £15 million compared with £12·1 million in 1954; lead, copper and zinc concentrate increased by £5·1 million to £11·8 million. The remainder is made up of a wide variety of minerals which are produced in limited quantities—Cape Town, July 20.

Sweden

WOOD PRODUCTS—Sweden's exports of sawn and planed wood products for delivery during 1956 have now reached a total of 500 thousand standards, almost 60 per cent of the estimated total offerings for the whole year. Swedish prices during recent weeks have shown very little change. It is reported that British buyers are still showing only limited interest in Swedish and Finnish offers, mainly because of a decrease in Russian prices—Stockholm, July 5.

PLASTICS—Packaging material for plastics will soon be produced in a new factory erected in Halmstad, South Sweden, at a cost of over one million kronor. An agreement has been made with the U.S. firm, Milprint Inc., for the manufacture of certain items under licence—Stockholm, July 5.

NEW TYPE SCALES—A well-known company has developed a new electric weighing system for industry known as "Scale-telematic". A modern food processing factory, for instance, with 4,000 weighing operations a day now employs four to five full-time workers for the job. With the new machine one operator will do the same work in two hours—Stockholm, July 5.

United States

RADIO AND TV—Two radio and television manufacturers here have already unveiled their 1957 lines. Colour television and small-screen portable black-and-white sets are emphasized and a transsistorized remote TV control unit has been introduced. The United States television market is estimated at nine million sets a year, which allows considerable expansion over the present six million a year—Chicago, July 20.

trade and tariff regulations

British West Indies

LIBERALIZATION OF IMPORT CONTROLS—It has been announced officially in Barbados, Trinidad and Jamaica that the following products have been placed under World Open General Licence in those colonies, effective July 2, 1956: leaf tobacco, fresh apples, chemical fertilizers and calcium carbide. It was announced that peas, beans, lentils and other legumes (pulses) dry, including split peas, have been placed under World Open General Licence in Trinidad only, also effective that date. Products which are under World Open General Licence may be imported without restriction from all sources.

Canada

EXPORT AND IMPORT PERMITS ACT—Order in Council 1956-1000, effective July 16, 1956, amends the Export Control List under this Act by deleting certain items and substituting others therefor, by revising certain definitions, and by adding several new items. These changes are given in detail in the schedule attached to the Order in Council and published in Part II of the *Canada Gazette* of July 11, 1956.

Effective the same date, General Export Permit No. Ex. 2 has been revised. The revision:

(*a*) Removes the necessity for an individual export permit for goods listed, when destined to Hong Kong.

(*b*) Dispenses with the formality of individual export permits for the same goods of foreign origin, when destined to any country not named in the Area Control List, including Hong Kong.

In addition to (*a*) and (*b*) above, the revised General Export Permit will also authorize shipment of the same listed goods to European Soviet bloc countries without obtaining an individual permit, provided the goods are of Canadian origin.

The list itself is virtually unchanged.

Federation of Rhodesia and Nyasaland

IMPORT RESTRICTIONS—The Department has been advised that there will be some further relaxations in Federation dollar import restrictions for the second half of 1956. The following products will be permitted import without restriction from dollar countries during this period: sanitaryware; wall and floor tiles; felt, malthoid, rubberoid, and similar products; inter-communication control units for 20 or more connections; plastic sheeting and castors for trolleys and furniture when imported for industrial and manufacturing use. In addition, a quota for imports from dollar countries of padlocks to the value of £10,000 has been established. The licensing arrangements for all other products which prevailed in the first half of 1956 will be continued in the second half of the year.

Further information regarding import controls in the Federation is available from International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

India

IMPORT CONTROL POLICY ANNOUNCED—The Government of India announced on June 30th, in the official *Gazette*, the import control policy for the July-December 1956 licensing period. In formulating the policy, the Government advised, a closer integration between imports and the development of the country's industrial potential has been attempted. As a result, controls on imports of machinery and raw materials have been relaxed and restrictions have been imposed on a variety of goods which are, or may be, produced in adequate quantities in the country.

The quota for July-December 1956 has been increased on the following goods:

Milling and gear cutters, end mills, saws, taps, dies and other thread-forming tools; machine-worked saws; twist drills; garage tools; air-cooled marine-type diesel engines; centrifugal pumps and pumping sets; certain dyes; potassium chlorate; machinery, parts and accessories; medicinal soap; domestic hardware; electric cooking ranges; safety razor blades; ball bearings; table fans, complete; all sorts of fruit; nalcite ion exchange resins.

On the following goods the quota limit has been reduced for the current licensing period:

Hacksaw blades; portable or stationary air or gas compressors; certain pumps and pumping sets; aureomycine, acetic acid, ammonium chloride; liquid glucose; dextrose powder; sparkplugs; napthol dyes, fast colour bases; oil cloth and floor cloth; butter, cheese and ghee; powdered milk; milk, condensed and preserved; sheet and plate glass; glass tableware; buttons; polystyrene.

Goods which have been removed from the liberal licensing scheme but are still licensable from the dollar area include:

Cation active finishing agents; synthetic resin finishing agents; malt extract and santonin, excluding preparations thereof; unspecified types of refrigerating machinery; pyrotechnic aluminum; cellulose adhesive tape.

Goods no longer licensable from the dollar area are:

Fish, salted or unsalted, wet or dry; canned fish; prints, engravings and pictures on paper or cardboard; lace and embroidery; precious stones, unset and uncut; synthetic stones; needles; all sorts of musical instruments and parts.

Norway

MANY DOLLAR IMPORTS LIBERALIZED—Norway liberalized many imports from Canada and other countries effective July 1st. Import licences are being issued automatically on application for the liberalized imports. The freed products are those falling within the following statistical chapters, in so far as their import from countries belonging to the Organization for European Economic Co-operation is also liberalized:

- Meat and meat products
- Fruit and vegetables
- Coffee, tea, cocoa, spices
- Raw tobacco
- Hides and skins, untanned
- Oil seeds, nuts and kernels
- Raw rubber, also synthetic and regenerated
- Spinning materials
- Raw fertilizing materials and various raw minerals
- Ores and metal waste
- Various animal and vegetable raw materials
- Fuel, lubricating oils, etc.
- Animal and vegetable fat, oil and wax
- Chemical raw materials and compounds
- Mineral tar and raw chemicals of coal, oil and gas
- Dyeing and tanning materials
- Explosives and various chemical products
- Rubber articles
- Yarn, textiles and ready-made textiles (except clothing)
- Non-precious metals
- Articles of non-precious metals
- Non-electric machinery
- Electric machinery, apparatus and parts
- Vehicles (railway rolling stock, aircraft, motor vehicles, ships)

Imports from OEEC countries were further liberalized at the same time and the complete list of freed products within these chapters is not yet available. It is expected, however, that complete information will be received in time to publish details in the next issue of this magazine.

It appears that this measure, which is Norway's first step towards liberalizing dollar imports, covers many Canadian industrial raw materials and capital goods, as well as certain foodstuffs and consumer goods. However, cereals and a wide range of consumer goods remain under import control.

Trinidad

BAN ON U.S. PORK LIFTED—By an official notice dated June 7, the Ministry of Agriculture informed the trade in Trinidad that the import restrictions on fresh, frozen, cured and pickled pork from the United States had been removed. Since canned pork products were not previously regulated, this means that all pork products can now be admitted. In 1955, Trinidad purchased cured and pickled pork from Canada valued at almost Can.$500 thousand—Port-of-Spain, June 20.

United Kingdom

WOOD PULP, PAPER AND BOARD, AND OTHER PAPERMAKING MATERIALS PLACED ON WORLD OPEN GENERAL LICENCE—The United Kingdom announced on July 17, 1956, that the following materials are admissible from any country under Open General Licence with effect from July 22:

- Wood pulp
- Papermaking materials listed hereunder:
    - Bagasse and bagasse pulp.
    - Esparto grass and esparto pulp.
    - Straw and straw pulp.

Paper and paperboard, except the following list of items:

- Newsprint.
- Oiled, waxed and other waterproof wrappings.
- Printed, embossed, or coated paper and paperboard.
- Stationery, labels, serviettes, towels, toilet paper, paper hangings, and other manufactures of paper and paperboard.

United States

INVESTIGATION INTO IMPORTS OF HARD FIBRE CORDAGE AND TWINE—According to a press release issued by the Executive Office of the President, Office of Defence Mobilization, Washington, a public hearing will be held September 11 on a petition filed by the domestic cordage industry under the Trade Agreements Extension Act of 1955.

ODM officials called the hearing to give the industry and other interested parties an opportunity to furnish information which could be used by the Director of Defence Mobilization in determining whether imports of hard fibre cordage and twines threaten to impair the national security. They pointed out that written presentations are also acceptable.

Coming to Canada on Business

The information about foreign business visitors given here is, to the best of our knowledge, accurate at the time of going to press. We cannot, however, accept responsibility for any changes in itineraries nor for cancellation of plans. This information is published as a service and in no way represents sponsorship or selection by the Department of Trade and Commerce. We cannot undertake to enter into correspondence about these visitors.

▶ from Australia

*G. G. CARR, Managing Director, Henry Lane Pty. Ltd., dealing in builders' hardware, will arrive in Montreal at the end of July or early in August. Itinerary includes extensive visits in Montreal and Vancouver.**

*FRANK SEALES of W. J. Carr Pty Ltd., 95-99 Bay Street, Port Melbourne, Victoria, and President, Australian Federation of Manufacturing Stationers, will investigate ideas for the Australian stationery industry. He plans to arrive in Montreal the third week in September and to stay in Canada approximately a month. Main cities on itinerary are Montreal, Toronto, Vancouver.**

*S. T. ATKINSON, Director of A. G. Healing Ltd., dealing in automobile parts, expects to arrive in Montreal October 3 to visit the Montreal area for a few days.**

** For further information or to make arrangements to see these three men, please contact C. L. Steele, Australian Government Trade Commissioner, 1255 Phillips Square, Montreal.*

▶ from Egypt

ELIE G. ABDELMESSIH, Managing Director, Societe Comerciale Belgo-Egyptienne S.A.E., P.O. Box 127, Cairo, arrives at the end of July in Montreal. He represents a well-established importing firm dealing in a variety of products including fuels, chemical products, sanitary ware, metal goods, lumber, etc. He plans to discuss ways to facilitate sales of Canadian products in Egypt with officials of the Board of Trade in Montreal and of the Canadian Manufacturers Association when he visits Toronto. His forwarding address in Canada is c/o Mr. Peter H. Redpath, Canadair Ltd., P.O. Box 6987, Montreal, Que.

▶ from Mexico

ALFRED TAMS SCHULTZ, General Manager of Aluminio Industrial Mexicano S.A., arrived in Toronto July 23; will be in the country 22 days. His main purpose is to visit Aluminum Company of Canada Ltd. (head office, Sun Life Building, Montreal, Que.).

M. MUNOZ LOPEZ, executive vice-president and mining engineer, Cia. Minera Nor-Ex, S.A. will discuss mining problems with Noranda Mines Ltd., Toronto, Ontario. He arrived in Canada July 22 and expects to stay for 30 days.

▶ from the United Kingdom

H. P. R. SCOTT, managing director, Messrs. Sommerson Holdings Limited, Darlington, Durham Co., England, arrived in Canada August 1 and leaves August 14. The holding company he represents includes firms which produce railway engineering products such as permanent way switchgear, lever boxes, etc.; steel founders and machinists up to five-ton capacity; carbon steels, alloy steels and manganese steels. He desires to develop exports to Canada for the various firms under his company's control and conduct research into new lines of engineering products which may be in demand in Canada. His itinerary is as follows: arrives Quebec City August 1; from August 2 to August 8 inclusive, Mount Royal Hotel, Montreal; from August 9 to 11, King Edward Hotel, Toronto; August 10 day visit to Rochester, N.Y.; August 12 takes overnight train Toronto to Montreal; August 13 Mount Royal Hotel, Montreal; August 14 leaves Montreal by ship. Mr. Scott will be accompanied by his assistants, A. R. Robson and J. T. Todd.

Countries Served by Foreign Trade Service

This list shows the countries included in the territories of Canadian Trade Commissioner offices abroad and the post responsible for the promotion of Canadian trade in each.

Country	Post Responsible
ADEN	Cairo
AFGHANISTAN	Karachi
ALASKA	Seattle
ALGERIA	Paris
ANGOLA	Leopoldville
ARGENTINA	Buenos Aires
AUSTRALIA	Sydney and Melbourne
AUSTRIA	Berne
AZORES	Lisbon
BAHAMAS	Kingston
BAHREIN	Beirut
BALEARIC ISLANDS	Madrid
BARBADOS	Port-of-Spain
BELGIAN CONGO	Leopoldville
BELGIUM	Brussels
BERMUDA	New York
BOLIVIA	Lima
BRAZIL	Rio de Janeiro and São Paulo
BRITISH CAMEROONS	London
BRITISH GUIANA	Port-of-Spain
BRITISH HONDURAS	Kingston
BRITISH TOGOLAND	London
BRUNEI	Singapore
BURMA	Singapore
CAMBODIA	Hong Kong
CANAL ZONE, PANAMA	Guatemala
CANARY ISLANDS	Madrid
CAPE VERDE ISLANDS	Lisbon
CAYMAN ISLANDS	Kingston
CEYLON	Colombo
CHILE	Santiago
CHINA	Hong Kong
COLOMBIA	Bogotá
COSTA RICA	Guatemala
CUBA	Havana
CURAÇAO	Caracas
CYPRUS	Cairo
CZECHOSLOVAKIA	Berne
DENMARK	Copenhagen
DOMINICAN REPUBLIC	Ciudad Trujillo
DUTCH GUIANA	Port-of-Spain
ECUADOR	Bogotá
EGYPT	Cairo
ENGLAND	London and Liverpool
ETHIOPIA	Cairo
FALKLAND ISLANDS	Montevideo
FEDERATION OF RHODESIA and NYASALAND	Salisbury
FIJI	Wellington
FINLAND	Stockholm
FORMOSA	(See Taiwan)
FRANCE	Paris
FRENCH WEST AFRICA	Paris
FRENCH EQUATORIAL AFRICA	Leopoldville
FRENCH GUIANA	Port-of-Spain
FRENCH WEST INDIES	Port-of-Spain

Country	Post Responsible
GAMBIA	London
GERMANY	Bonn
GIBRALTAR	Madrid
GOA	Karachi
GOLD COAST	London
GREECE	Athens
GREENLAND	Copenhagen
GUATEMALA	Guatemala
GUIANA (BRITISH, DUTCH, FRENCH)	Port-of-Spain
HAITI	Port au Prince
HAWAII	San Francisco
HONDURAS	Guatemala
HONG KONG	Hong Kong
HUNGARY	Berne
ICELAND	Oslo
INDIA	New Delhi and Bombay
INDONESIA	Djakarta
IRAN	Karachi
IRAQ	Beirut
IRELAND, REPUBLIC OF	Dublin
IRELAND, NORTHERN	Belfast
ISRAEL	Athens
ITALY	Rome
JAMAICA	Kingston
JAPAN	Tokyo and Kobe
JORDAN	Beirut
KENYA	Salisbury
KOREA	Tokyo
KUWAIT	Beirut
LAOS	Hong Kong
LEBANON	Beirut
LEEWARD ISLANDS	Port-of-Spain
LIBERIA	New York
LIBYA	Rome
LIECHTENSTEIN	Berne
LUXEMBOURG	Brussels
MACAO	Hong Kong
MADAGASCAR	Johannesburg
MADEIRA	Lisbon
MALAYA	Singapore
MALTA	Rome
MAURITIUS	Johannesburg
MEXICO	Mexico
MOZAMBIQUE	Johannesburg
NETHERLANDS	The Hague
NETHERLANDS ANTILLES	Caracas
NETHERLANDS GUIANA	Port-of-Spain
NEW GUINEA	Sydney
NEW ZEALAND	Wellington
NICARAGUA	Guatemala
NIGERIA	London
NORTH BORNEO	Singapore
NORTHERN IRELAND	Belfast
NORWAY	Oslo

Country	Post Responsible
ORANGE FREE STATE	Johannesburg
PAKISTAN	Karachi
PANAMA	Guatemala
PARAGUAY	Montevideo
PERSIA	(See Iran)
PERU	Lima
PHILIPPINES	Manila
PORTUGAL	Lisbon
PORTUGUESE EAST AFRICA	Johannesburg
PORTUGUESE GUINEA	Lisbon
PUERTO RICO	Ciudad Trujillo
RIO MUNI	Madrid
RIO DE ORO	Madrid
RUANDA URUNDI	Leopoldville
EL SALVADOR	Guatemala
ST. PIERRE and MIQUELON	St. John's
SARAWAK	Singapore
SAUDI ARABIA	Cairo
SCOTLAND	London
SEYCHELLES ISLANDS	Salisbury
SIAM	(See Thailand)
SIERRA LEONE	London
SINGAPORE	Singapore
SOMALILAND	Cairo
SOUTH AFRICA, UNION OF	Johannesburg and Cape Town
SOUTH WEST AFRICA	Cape Town
SPAIN	Madrid
SUDAN	Cairo
SURINAM	(See Netherlands Guiana)
SWEDEN	Stockholm
SWITZERLAND	Berne
SYRIA	Beirut
TAIWAN	Hong Kong
TANGANYIKA	Salisbury
TANGIER	Madrid
THAILAND	Singapore
TOBAGO	Port-of-Spain
TRIESTE	Rome
TRINIDAD	Port-of-Spain
TUNISIA	Paris
TURKS and CAICOS ISLANDS	Kingston
TURKEY	Athens
UGANDA	Salisbury
UNITED STATES	Boston, Chicago, Detroit, Los Angeles, New Orleans, New York, San Francisco, Seattle, Washington
UNITED KINGDOM	London and Liverpool
URUGUAY	Montevideo
VENEZUELA	Caracas
VIET NAM	Hong Kong
WALES	Liverpool
WESTERN SAMOA	Wellington
WINDWARD ISLANDS	Port-of-Spain
YEMEN	Cairo
YUGOSLAVIA	Rome
ZANZIBAR	Salisbury

Railway Reaches the Negev

ISRAEL'S RAPIDLY GROWING RAIL SYSTEM expanded further in April, when a new 46-mile line came into use, linking Tel-Aviv to Beersheba, the capital of the sparsely settled Negev wastelands in the south. The building of this $6 million line took three years and required 11 thousand tons of rails and auxiliary equipment (received as reparations from West Germany), 110 thousand wooden ties obtained under a bilateral trade agreement from Finland, and 15,000 concrete ties made locally. This new link was built through very rocky and hilly terrain and with its completion Israel's rail network now consists of 392 miles of line, compared with only 145 miles in 1949.

The main purpose of the new line is to carry Negev-mined phosphates and Dead Sea potash north to the large chemical fertilizer plant in Haifa, and to speed up the development and settlement of the hitherto largely inaccessible and unexplored Negev desert. It is estimated that in 1956 phosphate production will total 150 thousand tons; two-thirds will be used by the domestic fertilizer industry and the remainder exported. All this phosphate will go to Haifa over the new line from Beersheba. The 1956 potash production, 60 thousand tons, will also go by rail to Haifa after being transported by truck from Sodom on the Dead Sea. Beersheba, with its 21 thousand inhabitants, is fast developing into the Negev's industrial centre and is already the home of several industries including ceramics, pesticides, caustic soda and other chemicals.

The completion last year of a 65-mile irrigation pipeline to the northern settlements of the Negev from the Yarkon River near Tel-Aviv is making it possible to grow a number of crops, including cotton, peanuts, sugar beets, tomatoes and cereals. The new railroad will help in marketing these products in the heavily populated cities of Tel-Aviv, Haifa and Jerusalem. Copper ore and salt from the Dead Sea will probably be included in northbound freight from the Negev.

The long-term plans of Israel's Ministry of Communications to expand the rail network further include the linking of both Sodom on the Dead Sea and the small port of Eilat on the Gulf of Aquaba with Beersheba and the north. When they are completed, these proposed new lines will contribute further to the development of the Negev area.

—C. SWIFT,
Office of the Commercial Secretary, Athens.

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1·018784.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent July 19	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Official	·05453	18·34	(1)
		Free	·03091	32·35	
Australia	Pound		2·1953	·4555	
Austria	Schilling		·03775	26·49	
Belgium-Luxembourg	Franc		·01969	50·79	
Belgian Congo	Franc		·01969	50·79	
Bolivia	Boliviano	Official	·005166	193·6	
British West Indies	Dollar		·5717	1·749	(2)
	Pound		2·7441	·3644	(3)
	Dollar	British Honduras	·6860	1·458	
Brazil	Cruzeiro	Effective selling*			
		*Category I	·009843	101·6	
		Category II	·007508	133·2	tax 10% (4)
		Category III	·004993	200·3	*June 26
		Official buying	·05348	18·70	(5)
Burma	Kyat		·2061	4·852	
Ceylon	Rupee		·2058	4·859	
Chile	Peso	Free	·001987	503·3	(15)
Colombia	Peso	Basic	·3926	2·547	(7)
		Free*	·2062	4·850	*July 18
Costa Rica	Colon	Official	·1748	5·721	
		Controlled free	·1478	6·765	
Cuba	Peso		·9816	1·019	tax 2% (4)
Czechoslovakia	Koruna		·1363	7·337	
Denmark	Krone		·1421	7·037	
Dominican Republic	Peso		·9816	1·019	
Ecuador	Sucre	Official	·06544	15·28	
		Free	·05300	18·87	
Egypt	Pound	Official	2·8186	·3548	(6)
Fiji	Pound		2·4721	·4045	
Finland	Markka		·004268	234·3	
France	Franc		·002805	356·5	(8)
French Africa	Franc		·005610	178·3	(9)
French Pacific	Franc		·01543	64·81	(10)
Germany	D Mark		·2342	4·270	
Greece	Drachma		·03272	30·56	
Guatemala	Quetzal		·9816	1·019	
Haiti	Gourde		·1963	5·094	
Honduras	Lempira		·4908	2·037	
Hong Kong	Dollar	Free*	·1631	6·132	*July 6
		Official	·1715	5·831	
Iceland	Krona	Official	·06027	16·59	
		Special buying	·04470	22·37	
		Special selling	·03521	28·40	(11)
India	Rupee		·2058	4·859	
Indonesia	Rupiah	Basic	·08644	11·57	(12)
Iran	Rial	Certificate	·01296	77·17	
Iraq	Dinar		2·7484	·3638	
Ireland	Pound		2·7441	·3644	
Israel	Pound		·5453	1·834	
Italy	Lira		·001576	634·5	
Japan	Yen		·002727	366·7	
Lebanon	Pound	Free	·3047	3·282	
Mexico	Peso		·07853	12·73	

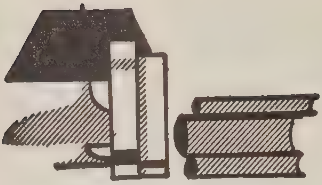
* Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent July 19	Units per Canadian dollar	Notes (See below)
Netherlands	Guilder		·2563	3·902	
Netherlands Antilles	Guilder		·5164	1·936	
New Zealand	Pound		2·7441	·3644	
Nicaragua	Cordoba	Effective buying	·1487	6·725	
		Official selling	·1392	7·182	
Norway	Krone		·1374	7·278	
Pakistan	Rupee		·2058	4·859	
Panama	Balboa		·9816	1·019	
Paraguay	Guarani	Official	·01636	61·12	(6) (13)
Peru	Sol	Certificate	·05166	19·36	
Philippines	Peso		·4908	2·037	
Portugal	Escudo		·03426	29·19	(14)
El Salvador	Colon		·3926	2·547	
Singapore & Malaya	Straits dollar		·3201	3·124	
South Africa (Union of)	Pound		2·7441	·3644	
Spain & Dependencies	Peseta	Basic buying	·04482	22·31	
		Basic commercial selling	·05977	16·73	(6)
		Free	·02520	39·68	
Sweden	Krona		·1897	5·271	
Switzerland	Franc		·2291	4·365	
Syria	Pound	Free*	·2770	3·61	*June 19
Thailand	Baht	Free	·04735	21·12	(6)
Turkey	Lira		·3506	2·852	
United Kingdom	Pound		2·7441	·3644	
United States	Dollar		·98156	1·019	
Uruguay	Peso	Official	·6462	1·548	tax 6% (4)
		Principal buying	·5741	1·742	(6)
		Principal selling rates	1·4675	2·139	
			1·4401	2·272	
Venezuela	Bolivar		·2930	3·413	
Yugoslavia	Dinar		·003272	305·6	(6)

* Latest available quotation date.

notes

1. Argentina: additional rates result from exchange retentions on export proceeds and surcharges on imports.
2. Barbados, Trinidad, Tobago, Leeward and Windward Islands, British Guiana.
3. Bahamas, Bermuda, Jamaica.
4. Tax affects selling (import) rates only; certain essential imports exempt.
5. Brazil: currency certificates auctioned for five import categories. Effective selling rate is official rate of 18.82 to U.S. dollar plus price of certificate. Tax of 10 per cent applies to official rate (tax is 1.88 cruzeiros per U.S. dollar). Exporters receive cruzeiros at official rate plus exchange premiums ranging from 18.70 to 48.64 cruzeiros per U.S. dollar, depending on product. Three rates shown cover bulk of transactions for auction.
6. Additional rates are in effect.
7. Colombia: stamp taxes of 3, 10, 30, 80 and 100 per cent on imports depending on essentiality. The free rate applies to minor exports and less essential imports.
8. Includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
9. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
10. New Caledonia, New Hebrides, Oceania.
11. Iceland: special rates apply to minor export products of small fishing boats and designated non-essential imports.
12. Indonesia: basic rate applies to most exports and a few essential imports. Purchase of exchange for other imports is subject to surcharges of 50, 100, 200 or 400 per cent depending on products.
13. Official rate applies to exports and essential imports. For non-essential imports there is a surcharge of 25 Guaranis per U.S. dollar.
14. Portugal: approximately same rate for Portuguese Territories in Africa.
15. Chile: free rate applies to exports and to imports, except prohibited imports. Chilean importers must deposit local currency in amounts ranging from 5 to 200 per cent, depending on product, prior to shipment of goods.



businessman's bookshelf

The Gas Appliance Industry in Canada

Economics Branch, Department of Trade and Commerce. 15 pages. Free.

WHAT KIND OF MARKET will there be for Canadian gas appliances when natural gas comes to larger population centres in western and central Canada? According to this report, the demand for gas heating for homes and apartments and for water-heating equipment is likely to expand rapidly; the expansion of the market for gas cooking stoves will not be as great. Production of newer types of appliances like dryers and disposal units, refrigerators and air-conditioners could become important secondary activities if the industry develops and promotes them.

The report does not evade discussion of the problem of gas competing with other fuels for heating and with electricity for cooking. This is a central theme in its review of the development of the gas production and gas appliance industries, probing the problems they have faced. The booklet concludes with a discussion of the outlook for the gas appliance industry in various regions of the country, and warns manufacturers of the kind of competition they may expect from American firms in the field.

Order from: Information Branch, Department of Trade and Commerce, No. 1 Temporary Building, Ottawa, Ontario.

Germany 1945-1955

Boas International Publishing Co. 738 pages. $7.15, plus 85 cents postage.

THE FIRST POSTWAR DECADE witnessed the transformation of the Federal Republic of Germany from a war-ravaged country into a prosperous European power. This transformation—sometimes called the "German miracle"—provides a unifying theme for this comprehensive survey. Many readers will find themselves turning first to the 23-page section covering "basic problems of the rehabilitation of the Federal Republic". There they will discover discussions of the free market policy, the currency reform, public finance, the absorption of refugees, etc. This is followed by a discussion of Germany's position in the world economy.

Equally interesting to many businessmen will be the survey of the leading industries, banks, insurance companies, and commercial enterprises. The concluding section is devoted to pictures and brief biographies of Germans prominent in business, finance and industry.

Not many readers will, perhaps, read this large volume through, but many should find it an invaluable reference. The hundreds of excellent photographs, charts, and statistical tables, and the broad coverage, add up to a most impressive production.

Order from: Richard Koch, Box 61, Station C, Montreal, Quebec.

British Empire Trades Index. 1955-56 Edition

Business Dictionaries Ltd. 1,084 pages. $5.00 (postpaid)

THE REVISED *British Empire Trades Index* is published annually and is intended to simplify and expedite trade within the Commonwealth and between exporters and importers who wish to deal with members of the Commonwealth and of the United Nations.

Section I lists British Empire manufacturers, producers and distributors, according to their trade classification.

Section II is an alphabetical index to all firms appearing in Section I. Cross-references indicate the trade classification under which each company is listed.

Section III deals with trademarks and brands arranged alphabetically and Section IV contains overseas cable addresses.

Section V, organized in the same fashion as Sections I-IV, gives particulars of firms situated in countries which are members of the United Nations.

The *Index* also contains an alphabetical listing of the various trade classifications used, plus sections on shipping and port facilities at various world ports.

Order from: Business Dictionaries Limited, 133-137 Fetter Lane, London E.C.4.

AUGUST 18, 1956

foreign trade

CANADA

GERMANY RELAXES TRADE RESTRICTIONS (page two)

CANADA

foreign trade

Established in 1904

Published fortnightly by the Department of Trade and Commerce.
The Right Honourable C. D. HOWE, Minister,
WM. FREDERICK BULL, Deputy Minister.

OTTAWA, AUGUST 18, 1956, Vol. 106, No. 4

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cover A great German iron and steel plant, its chimneys smoking, sprawls over many acres in Dortmund. The boom in German trade and industry has led to mounting pressures in the economy and the Government is taking steps to remedy the situation. To discover what these steps are and how they may affect German-Canadian trade, please turn to the article on page two.

Germany Relaxes Trade Restrictions

Recent liberalization of imports from dollar countries and introduction of tariff reductions effective for 18 months should stimulate trade between Canada and Germany, which is already coming into better balance.

M. B. BLACKWOOD.
Assistant Commercial Secretary, Bonn.

FURTHER LIBERALIZATION OF IMPORTS from dollar countries and tariff reductions on a wide range of goods—these two measures of interest to Canadian exporters were taken by the West German Government in recent weeks. Primarily they are designed to relieve pressures that have been building up in the booming German economy. During the first half of this year Canadian-German trade has continued to expand and these new measures should give it further stimulus.

In the latter part of June the Government of the Federal Republic published a list of some 600 additional items which may be imported from dollar countries, including Canada, without import licences and free from restrictions.* This is the fourth such list issued since 1954 and brings the dollar liberalization percentage to 93, based on the value of total private imports in 1953. This means that German importers can now buy from the dollar area with about the same freedom as from countries in the European Payments Union. However, cereals and some other major Canadian exports remain subject to import licensing requirements from all sources.

Canadian Products Affected

The items on the new list of greatest interest to Canada are: alsike clover seed, tomato juice, canned lobster, dried apples, fur garments, calculating machines, polyvinyl chloride, aluminum foil, and copper and copper manufactures. Unfortunately a number of products which could be exported from Canada to Germany in greater volume are still not liberalized. Among these are canned fruits and vegetables, mild cured and frozen salmon, canned salmon and edible offal. The exclusion of these goods from the list is largely the result of opposition from German agricultural and fisheries interests. However, quotas are frequently established for some non-liberalized items of interest to Canada such as wheat, barley, rye, synthetic rubber, polystyrene, and primary aluminum. The dollar area is often designated as a source of purchase or as one of the sources of purchase for these commodities.

In addition to these quotas, imports of some non-liberalized agricultural and industrial goods are possible against quotas established for exhibitors at the recognized international trade fairs held in Germany. Notice of these quotas is given periodically in *Foreign Trade*.

Purpose of Tariff Cuts

The purpose of the tariff cuts, which became effective July 1st for a period of 18 months, is to encourage imports and thus keep down domestic prices. Originally the proposal called for an across-the-board reduction of 30 per cent but by the time it was approved by the German Cabinet and Parliament, it was somewhat modified. The final legislation requires much analysis but duties on non-agricultural items (with some exceptions) have been reduced by 20 per cent in cases where the former tariff rate was from 4 to 16 per cent, by 25 per cent in cases where the former rate was 17 to 27 per cent, and to a flat rate of 21 per cent for those items which formerly carried a rate of 28 per cent or more. This was reported in *Foreign Trade* of July 21. Agricultural products have been dealt with on an individual basis. The tariffs on some items in this category have not been reduced and, in general, the reductions made are not very extensive.

* See "Foreign Trade" of July 21, 1956.

Although this new legislation is meant to be only temporary, it may possibly be extended, provided the West German economy maintains its buoyancy. The concessions which Germany granted at the recently concluded GATT conference also became effective July 1.

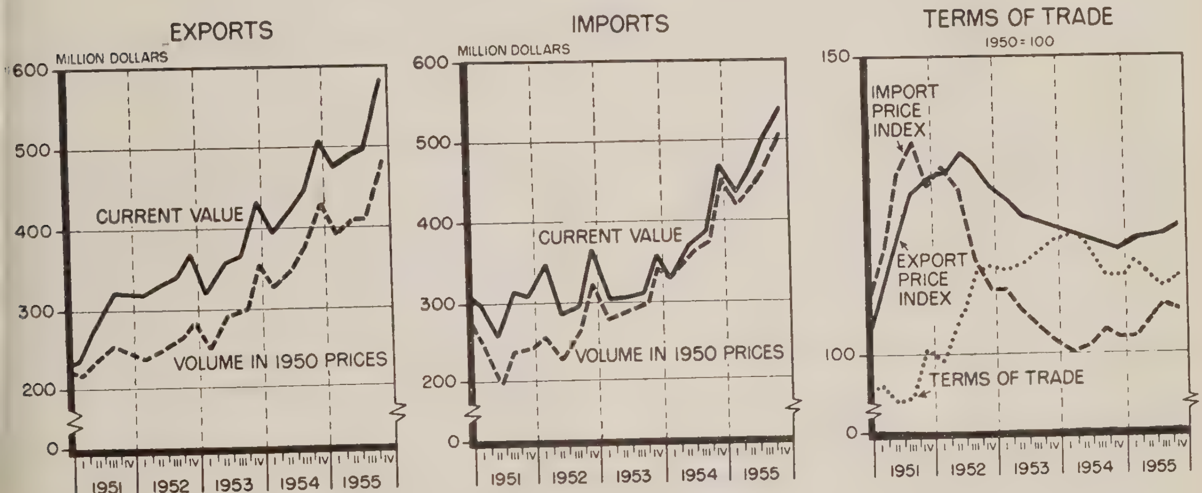
Pattern of Trade

Germany's foreign trade continues to expand. According to the most recent trade statistics, total visible trade during the first four months of this year was valued at DM17,637 million (divide by 4.20 for approximate Canadian dollar equivalent) compared with DM15,452 million in the same period of 1955. It is significant that the export surplus for the first four months of 1956 totalled DM819 million as against million), Belgium-Luxembourg (456 million), United States (432 million), France (408 million), Switzerland (396 million), and Sweden (394 million).

Trade with Canada

Germany's total trade with Canada for January-April 1956 was valued at DM223 million, compared with DM160 million in the same period of 1955. Imports from Canada during this same period totalled DM123 million (1955—DM104 million); exports to Canada were valued at DM101 million (1955—DM56 million). Germany's trade deficit with Canada reached DM48 million in the first four months of 1955, compared with only DM21 million in the same period of 1956. During the whole of 1955, Germany's deficit

FOREIGN TRADE OF THE FEDERAL REPUBLIC OF GERMANY
(MONTHLY AVERAGES BY QUARTER)



only DM392 million last year. Despite this overall improvement in the trade balance, Germany continues to have a deficit in her dollar trade; at the end of the first quarter of 1956 it stood at DM587 million. The deficit is, however, more than offset by trade surpluses with other countries, particularly those which are members of the European Payments Union. Germany also has considerable dollar earnings from sources other than trade.

The major suppliers to Germany during the first quarter were: the United States (DM785 million), the Netherlands (410 million), France (360 million), Belgium-Luxembourg (330 million), the United Kingdom (269 million) and Italy (264 million). Germany's principal customers were the Netherlands (DM633

with Canada amounted to DM263 million, out of a total trade of DM722 million.

If the returns for the first four months of this year, when compared with those for the same period last year, indicate a trend, it seems that German-Canadian trade, in addition to expanding, is moving into better balance.

One of the noteworthy characteristics of this trade is that Germany sells to Canada a more diversified range of goods than she buys from her. Principal German imports from Canada so far this year were, in order of importance: wheat; metals, including crude nickel, copper, aluminum and alloys, ores and minerals; crude chemicals, and oils and fats. The major German

exports to Canada, in order of importance, were motor vehicles, crude chemicals and products, machinery and equipment, watches and clocks, electrical goods, iron bars and sections, and glass.

Outlook Encouraging

The outlook for trade between the two countries is encouraging; the steps that have been taken towards trade liberalization with the dollar countries and the broad-scale tariff reductions cannot help but benefit Canada's sales to Germany. In the light of these developments, Canada's exporters might well take a new look at the German market. More and more German firms, in their turn, are focussing their attention on the Canadian market.

Selling Men's Shirts in the Netherlands

Promising sales possibilities in the Netherlands present a challenge to Canadian manufacturers of men's shirts. Import licences and foreign exchange are readily granted in this booming market.

N. RIEMEYER,
Office of the Commercial Secretary, The Hague.

CANADIAN MANUFACTURERS OF MEN'S SHIRTS might well investigate promising sales opportunities in the Netherlands. They might find it possible to develop some business here, for the following reasons:

- Most shirts made in Holland are of cotton poplin, and imports of good-quality shirts are therefore substantial.
- The Netherlands' economy is prosperous. Import licences are granted readily and foreign exchange is not a problem.
- The North American-style shirt is the most popular, although most types are being sold here.

Production and Consumption

The domestic industry consists of 17 factories which are almost exclusively devoted to the manufacture of men's shirts and 35 factories producing them as a sideline. Production in 1955 totalled approximately six million shirts valued at 51 million guilders, compared with 5·7 million valued at 42·3 million guilders in 1954. According to government statistics, 98 per cent are made of cotton poplin.

Consumption approximately equalled production in 1955, with exports of 357 thousand shirts (mainly to Belgium-Luxembourg and Denmark) slightly exceeding imports of 350 thousand.

Imports

The demand for top-quality shirts is largely satisfied by imports from the United Kingdom, the United States, and Switzerland. Cheaper shirts are supplied from Belgium-Luxembourg, Denmark, Czechoslovakia, Hong Kong and Japan.

IMPORTS OF MEN'S SHIRTS OF RAYON OR STAPLE FIBRES (INCLUDING NYLON)

	1955		*1954*	
	Dozens	*Fl. 1,000*	*Dozens*	*Fl. 1,000*
Belgium-Luxembourg	1,553	415	1,221	323
United States	3,531	452	905	143
Japan	1,199	136	....	......
Hong Kong	990	35	....	......
*TOTAL	7,527	1,101	2,266	488

* Smaller quantities were imported from Austria, Sweden and Switzerland.

IMPORTS OF MEN'S SHIRTS OF COTTON, FLAX OR OTHER MATERIALS

	1955 Dozens	1955 Fl. 1,000	1954 Dozens	1954 Fl. 1,000
Belgium-Luxembourg	14,674	1,331	14,549	1,215
United Kingdom	298	48	398	63
Switzerland	575	92	699	95
Czechoslovakia	594	37	220	16
United States	1,734	185	1,493	168
Hungary	2,241	43	....	....
* TOTAL	....	....	17,551	1,581

* Smaller quantities were imported from Austria, Denmark, France, Hong Kong, Italy and Western Germany.

The duty on imported shirts is 24 per cent ad valorem and a 2 per cent turnover tax is levied on the duty-paid value. Imports from Belgium and Luxembourg enter duty-free under the Benelux Tariff Agreement but are subject to the 2 per cent turnover tax. Importers must apply for import licences, which are readily granted. The right to purchase foreign exchange is granted automatically with the import licence.

Prices and Profits

Retail prices of domestic cotton and poplin shirts range from Can.$3.25 to $6.25; nylon shirts sell at $7 and $10. For the most popular British brands consumers pay from $5.85 to $7.70. Belgian shirts are mainly of a cheaper type and cost from $2.10 to $3.25. Good-quality Swiss shirts sell at prices comparable to those of the British products. Practically all the American shirts come from one well-established U.S. manufacturer and retail at a fixed price of $4.75. Some nylon shirts from the United States sell for $12.35.

The retailer's average profit on shirts is 27½ per cent; thus he buys the $4.75 American shirt for about $3.70. It is competition from this line of shirts which Canadian manufacturers would have to meet.

Methods of Doing Business

Dutch manufacturers usually sell direct to retailers and imported shirts are generally handled by importers and/or agents; the wholesaler does not seem to figure largely in distribution. One British firm enjoys good sales by selling exclusively to a chain store organization.

Canadian exporters would be well advised to sell through a local agent who works on a 5 per cent commission. If a manufacturer can export in volume, he will find it most advantageous to sell direct to an importer. Usual payment terms are cash against documents.

If you would like a list of suitable agents and importers in the Netherlands, please write to the Editor, *Foreign Trade.* ●

Brazil's Coffee Exports

BRAZILIAN EXPORTS OF COFFEE during the last crop year (June-July) reached 16,972,721 sacks of 60 kilograms—the highest figure recorded in the last five years, as the following table shows:

Year	*Number of 60-kilo sacks*
1955-56	16,972,721
1954-55	10,796,677
1953-54	14,337,060
1952-53	14,969,873
1951-52	16,333,215

Last year's exports represented a 57 per cent rise over the previous year.

According to figures released by the Brazilian Coffee Institute, coffee exports in 1955-56 earned $993,603,000. In 1954-55 they earned only $826,475,000 in foreign exchange.

Carryover Remains Large

The Brazilian Coffee Institute at first estimated that the 1956-57 exportable crop would total 11,816,000 sacks. It has recently revised this estimate downward to slightly more than 10 million sacks because of the rains which occurred during the harvesting season. The carryover on June 30, 1956, including stocks held by the Government, totalled some 10·5 million sacks. It should be remembered that some two million bags of this carryover are not export-grade coffees. So the total export available for the next crop year should reach 18·5 million sacks, according to Brazilian estimates.

Estimates Differ

However, the first forecast of last year's crop by the Brazilian Coffee Institute was 25 per cent below the actual crop. Brazilian estimates of world coffee production differ from those made by the United States Department of Agriculture by nearly ten million bags. The final total will probably fall somewhere between these two figures. This disparity points up the need for some co-operation between producing and consuming countries.

—G. F. OSBALDESTON,
Vice Consul and
Assistant Trade Commissioner, São Paulo.

THE U.S. SOIL BANK PLAN

This new federal program has as its objectives the raising of farmers' incomes, storing of fertility in the soil, and reducing or eliminating need for U.S. Government to acquire surplus agricultural commodities. Here is an outline of the plan and the way in which it works.

W. C. HOPPER, *Agricultural Counsellor, Washington.*

THE OUTSTANDING FEATURE of the United States' new agricultural program is the Soil Bank Plan. This plan received the support of both political parties in Congress and the U.S. Department of Agriculture is now putting it into operation.

The purpose of the Plan as set forth in the legislation is:

- To protect and increase farm income.
- To protect the national soil, water, forest and wildlife resources from waste and depletion.
- To protect interstate and foreign commerce from the burdens and obstructions which result from the use of farmland to produce excessive supplies of agricultural commodities.
- To provide for the conservation of such resources and for an adequate, balanced, and orderly flow of such agricultural commodities in interstate and foreign commerce.

Banks are places where assets may be deposited for future use. The Soil Bank has been described as a place for depositing or storing fertility in the soil for the production of future crops. These crops will be needed when the population of the United States expands to the point where more food, feed and fibre are needed than can be produced on the smaller area of land which will be cultivated under the Soil Bank Plan.

Acreage Reserve Program

The Soil Bank is divided into two parts—the Acreage Reserve Program and the Conservation Reserve Program.

The Acreage Reserve Program relates to the 1956, 1957, 1958 and 1959 crops of wheat, corn, cotton, rice, peanuts and various types of tobacco. Producers will be compensated for reducing their acreages of these crops below the farm acreage allotments which they must observe if they wish to obtain price supports for these crops. The legislation provides $750 million a year for the Acreage Reserve.

Producers co-operating in the program will sign agreements for one year with the County Stabilization and Conservation Committee* to carry out the program on their farms.

Because most of the 1956 crops were planted when the program came into operation, full participation this year is not expected. However, as of July 27, 10·7 million acres had been signed up by farmers. Of this acreage, about five million was land taken out of wheat. A farmer whose growing crops have not matured beyond a certain point may plough or mow these crops so that he reduces the acreage below his allotment. These acres must then be left idle or a cover crop put on them. On idle land, he must practise erosion and weed control. He may not harvest any crop, including hay, from this land nor is he permitted to graze it during 1956. However, land which was grazed up to June 22 may be included in the Acreage Reserve. July 27, 1956, was the final date for signing an agreement for this crop year.

To obtain Acreage Reserve payments, a farmer must comply with the acreage allotments which the County Committee has established for all the basic crops he may grow on his farm. In other words, if a wheat grower wishes to participate in the Acreage Reserve Program and obtain payments for taking land out of wheat production, and he has an acreage allotment for his farm for corn, cotton, or other basic commodity, he must comply with the farm acreage allotments for corn, cotton or other commodity, as well as reduce his wheat acreage allotment within the minimum and maximum ranges provided for wheat.

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* There is a State Agricultural Stabilization and Conservation Committee in each of the 48 states. The members of these committees are appointed by the Secretary of Agriculture. In each of the 3,030 agricultural counties there is a County Stabilization and Conservation Committee, the members of which are elected by the farmers of the country to carry out federal agricultural programs and the policies of the State ASC Committee and the U.S. Department of Agriculture.

To participate in the Acreage Reserve Program for wheat and corn, farmers were not permitted to mow or clip crops later than July 31, 1956. For cotton, peanuts, rice and tobacco, the County Committee established final dates for individual areas but in no case was this date later than July 31.

How Payment Is Made

In return for placing land in the Acreage Reserve, farmers will receive certificates which the Commodity Credit Corporation will redeem either in cash or an appropriate amount of grain for those farmers who receive certificates for wheat, corn or rice. The payment in grain will not be available before the end of the 1956 harvest. Farmers participating in the Acreage Reserve Program receive their certificates from the County Committee as soon as the committees are sure that the farmers have fulfilled all requirements.

Millions of acres like these rolling, summerfallowed wheat lands near Waitsburg, Washington, will be taken out of production under the Soil Bank Plan to cut crop acreages.
—SCS photo, USDA.

The County Committee determines payments which farmers can earn by putting land in the Acreage Reserve. The rate varies from county to county, but the following average base unit rates are used: corn, 90 cents a bushel; cotton, 15 cents a pound; wheat, $1.20 per bushel; rice, $2.25 per hundredweight; tobacco, flue-cured 18 cents, burley 18 cents, other types 8 to 19 cents per pound; peanuts, .03 cent per pound. Certificates may be endorsed to merchants, bankers and others in payment for goods and services and are negotiable.

Anyone may redeem the certificates for cash at local banks but certificates for grain can be redeemed only by farmers to whom they are issued. Grain received in exchange for a certificate is not eligible for price support.

Farmers are limited as to the number of acres they may put in the Acreage Reserve. Maximum participation on any farm is the larger of the following acreages:

Grain (corn, wheat and rice)	—50 acres or half the farm allotment
Cotton and peanuts	—10 acres or half the farm allotment
Tobacco	— 5 acres or half the farm allotment

Minimum participation on any farm is the larger of the following acreages:

Grain (corn, wheat and rice)	—5 acres or 10 per cent of the farm allotment
Cotton	—2 acres or 10 per cent of the farm allotment
Tobacco and peanuts	—1 acre or 10 per cent of the farm allotment

The minimum for burley tobacco is half an acre or the farm allotment, whichever is smaller.

A farmer may not place more than his allotted acreage of eligible crops in the Acreage Reserve. If his allotment is less than the minimum participation, he must place the entire allotment in the program in order to participate. Tenants and share-croppers have full rights to share in benefits.

Specific qualifications for participation in the Acreage Reserve vary somewhat for the different eligible crops. (As an example of how it works for wheat, see the box feature on page 8).

The hope is that, when the Acreage Reserve Program is in full operation in 1957 and subsequent years, 15 to 20 million acres of the eligible crops will be taken out of production. Of this total, 10 to 12 million acres probably will represent land which formerly produced wheat. The present 55 million acres of wheat harvested in the United States would, therefore, be reduced to 45 or 43 million acres.

The rates of payment for wheat and other crops in 1957 and subsequent years will not necessarily agree with the rates of payment in 1956.

Conservation Reserve Program

The Conservation Reserve part of the Soil Bank will be started this year and the Federal Government will provide $450 million annually for it. Some farmers may sign contracts and start conservation practices during the present crop year. However, as most land is already in crops, this program is not likely to get under way to any considerable extent until the fall.

By participating in the Conservation Reserve, farmers have an opportunity to receive substantial government assistance for long-term conservation work on their farms. To participate, a farmer will sign a contract

How Acreage Reserve Payments Work

Here is an example of how the plan will work for wheat in 1956, and the specific qualifications for benefits.

- *If the wheat acreage allotment is under-planted, the wheat is spring wheat for harvest in 1956, and the farmer certifies that the under-planting was due either to anticipation of the 1956 Acreage Reserve for wheat or to adverse weather conditions, the payment will be based on the normal yield (the average of 1945-54, inclusive, is to be used for wheat, 1950-55 for tobacco, and 1951-55 for other crops) as determined by the County Committee for the designated acreage. The rate of payment is the local rate representing a national average rate of $1.20 per bushel. Rates vary from 89 cents to $1.36 per bushel in different counties.*

- *If the wheat is winter wheat planted for harvest in 1956 and the acreage seeded in the fall of 1955 was less than the farm allotment, and the farmer certifies that the under-planting was because of adverse weather conditions, the payment rate is $4.00 per acre.*

- *If the compliance with Acreage Reserve occurred because of destruction by natural causes, such as winter killing, flood, drought or hail, the payment rate is based on the smaller of the appraised yield for the field or the normal yield for the farm, but not less than $6.00 per acre. The County Committee is responsible for determining the appraised yield.*

- *If the compliance with the Acreage Reserve is by ploughing or otherwise physically incorporating the crop into the soil, or by clipping, mowing or cutting the wheat crop, the payment will be based on the smaller of the appraised yield for the field or the normal yield for the farm, but not less than $6.00 per acre.*

- *In 1957 and following years, farmers who decide in advance of planting wheat (or other eligible crops) to put land in the Acreage Reserve will receive payments based on normal yields from these acres, even though drought or some other national disaster lowers production.*

- *Participation in the Acreage Reserve for wheat will not reduce future wheat allotments for the farm. Farmers may produce 15 acres of wheat without becoming ineligible for acreage reserve payments. The Acreage Reserve will be in addition to any acreage devoted to the Conservation Reserve.*

with his County Committee in which he agrees to remove land from production of crops and devote it exclusively to conservation practices. Land producing pasture and tame hay in regular rotation is also eligible.

Over a period of several years, it is expected that the Conservation Reserve will encourage the shift of 20 to 25 million acres of farmland into grass, trees or water storage. Land brought into the Conservation Reserve will include the less productive acres that should be taken out of crop production permanently in the interests of conservation. Acres diverted in the past from wheat and cotton to feed grains and other crops may also be brought into the Conservation Reserve, as well as certain land on which grass cover is already established.

A farmer who signs a contract to participate in the Conservation Reserve will agree to establish and maintain protective cover (grasses, legumes, or trees), water storage or some other approved conservation practice, on designated acres. These farmers will also agree not to harvest any crop from these acres—except timber, in keeping with good forestry management—and not to pasture these acres before January 1, 1959, or a later date cited in the contract, unless the Secretary of Agriculture finds a need for grazing before that date. The farmer will receive about 80 per cent of his costs for establishing permanent conservation on acres put in the Conservation Reserve.

In addition to this initial conservation practice payment, a participating farmer will also receive payments each year for the length of the contract to compensate him for taking land out of crop and livestock production. This annual payment begins with the first year. In determining the annual payment to a farmer, these factors will be considered: value of the land for producing crops, rates of land rent in the area, and necessary incentive to encourage participation.

The minimum Conservation Reserve contract is for three years and the maximum is ten. Contracts for tree cover, however, may run for 15 years. Three-year contracts apply only to land which will be continued in vegetative cover.

In order to benefit from Conservation Reserve payments, farmers must comply with their farm acreage allotments for the various basic commodities. Tenants and share-croppers have full rights to share in the benefits.

County Agricultural Stabilization and Conservation Committees are assisting farmers with specific information about and interpretation of the Soil Bank Plan for local areas. Farmers are urged not to take action to participate in the Soil Bank unless they have consulted their County Committees. ●

How to Work Out Export Prices

This article, twelfth in our series on the techniques of export trade, discusses the all-important problem of pricing goods to meet competition abroad and to earn a net profit for the exporting firm. Various pricing methods are outlined, including how to charge fixed and variable expenses and what to consider in quoting prices.

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EXPORTERS FREQUENTLY SPEAK of the three "P's" of export—Product, Price, and Promotion. The product has to be right in design, in function, and in its usefulness to the customer. It has to be properly advertised, exhibited, demonstrated and serviced. Most important, it must be priced correctly.

An exporter may turn out a good-quality product and advertise and promote it well, only to see it fail in the export market because of its price. The keen competition now prevailing in the export field makes pricing of paramount importance. When a businessman sets a competitive price in a foreign market, he is concerned that sales shall return a reasonable net profit to his firm. Correct export pricing can therefore make or break an export business.

There are three ways to set export prices:

- Basing them on prices charged to distributors in the Canadian market.
- Basing them on competitors' prices in the foreign market.
- Basing them on actual manufacturing costs.

The pricing method used should depend on the type of goods exported and the importance of foreign orders to the total business of a firm.

Export Prices Based on Domestic Prices

This system bases export prices on lowest domestic distributor prices and is most often used by firms with a small percentage of export sales or which only enter export markets now and then. To the prices which the company quotes its largest domestic customer, transportation and other costs to move the goods to the port of shipment are added. This then becomes the export price.

Although it is convenient, this method is no guarantee of competitive prices. The exporter will find he must compete with foreign manufacturers who may pay lower wages and with Canadian manufacturers who may quote lower prices based on factory costs or cut the figure down to meet competition abroad.

Export Prices Based on Competitors' Prices

This is a more realistic pricing method, but the exporter has to be sure his costs are low enough to meet any competition and still make a profit. If he is to use this method successfully, he must make certain that he has correct information on prices quoted by competitors.

Generally speaking, those who use some form of this pricing method are exporters of farm products, metals (except iron or steel), and minerals. Prices for these products are established from day to day, often from hour to hour, on the world's main commodity

Example: Export Department Expenses

	Fixed $	Variable $	Totals $
Selling Expenses			
SALARIES AND WAGES			77,000
commissions		25,000	
regional sales managers	10,000		
sales engineers	7,500		
sales representatives	10,000		
executive and administrative	7,500		
clerical and stenographic....	15,000		
pensions, etc.	2,000		
TRAVELLING			13,000
regional sales managers		3,000	
sales engineers		1,500	
sales representatives		5,000	
executives	1,500		
auto depreciation		1,000	
supplies	1,000		
ADVERTISING AND SALES PROMOTION			71,000
salaries and wages	5,000		
advertising		50,000	
public relations	1,000		
literature		10,000	
promotion		2,500	
miscellaneous		2,500	
TOTAL SELLING EXPENSES			161,000
Distributing Expenses			
salaries and wages	5,000		
supplies (packing material)		12,500	
trucking . . .		500	
rent and storage	1,000		
TOTAL DISTRIBUTING EXPENSES			19,000

	Fixed $	Variable $	Totals $
Administrative Expenses			
executive and admin. salaries	20,000		
clerical and stenographic......	20,000		
pensions	1,000		
miscellaneous salaries	2,000		
TOTAL ADMINISTRATIVE EXPENSES			43,000
General Expenses			
stationery and supplies		1,000	
credit, collections	250		
donations, dues, etc.	500		
legal fees	250		
patents and trademarks	250		
postage		1,000	
telephone		500	
telegraph and cables		500	
repairs and maintenance	500		
depreciation and amortization	1,000		
insurance	750		
rent	750		
taxes (payroll, real estate, capital stock, etc.)	1,500		
miscellaneous	500		
TOTAL GENERAL EXPENSES			9,250
ACCOUNTS WRITTEN OFF....	1,500		1,500
TOTAL EXPENSES			233,750
TOTAL SALES			1,500,000
EXPENSE RATIO TO SALES			15·6 %

exchanges. Usually these prices reflect world demand and the supply position in the country or countries which are the largest exporters of a particular commodity.

Export Prices Based on Costs

For manufactured goods, the only correct way to calculate export prices is to base them on actual manufacturing costs. This price should then be compared with domestic prices and competitors' export prices before it is definitely fixed. During times of keen competition, exporters are forced to quote the lowest possible prices and in some cases to go below their lowest domestic distributor prices. In countries where the customs duty on imported goods is taken on the "home consumption value" or "fair trade value" in the home market, such price reductions have only a partial effect. If, for instance, a product is exported from Canada at an f.a.s. price of $10.00, but the net domestic price to customers who buy in quantities similar to the quantities exported is $15.00, then the customs duty (for example, in the Union of South Africa) will be levied on the $15.00 and not on the $10.00 export price.

The regulations prevailing in the various Commonwealth countries whereby special certified invoices have to contain not only the export price but also the so-called home consumption value are intended to prevent exporters from "dumping" goods at an export price much lower than their domestic price. Consequently, even if export prices are based on factory costs, they should also be compared with domestic distributor prices. It should be the general aim of any exporter to keep prices more or less in line with domestic prices, to avoid creating the impression that he indulges in either profiteering or dumping.

A comparison with competitive prices is also imperative. It is fairly easy for a Canadian exporter to keep his prices in line with the export prices of other Canadian exporters who produce the same product under the same conditions, with similar raw material costs, wage rates and general expenses. However, the problem becomes more difficult when he has to compete with exporters from other countries, particularly from countries with lower wage rates.

Calculating Actual Costs

In determining actual manufacturing costs, the direct factory expenses for materials and labour and a share of plant overhead are charged against export operations. The export department is credited with the invoices when the goods are shipped. Less clearly defined is how to charge general administrative overhead.

With a "built-in" export division, many administrative operations are carried out simultaneously by other departments of the company. Management has to apportion expenses to the domestic and export divisions for services provided by the accounting and statistical departments, the general office management, the advertising personnel and even the stenographic pool. Where exports are only a small proportion of total sales, these charges should be kept as low as possible by eliminating any costs which do not seem directly related to export sales. Failure to do this either prices goods out of the export market or makes it impossible for export operations ever to show a profit.

When export sales are large, it is usually easier to charge administrative overhead against a separate export department. For convenience, the cost of an export department can be divided into four categories: sales, distribution, administration, and general expenses.

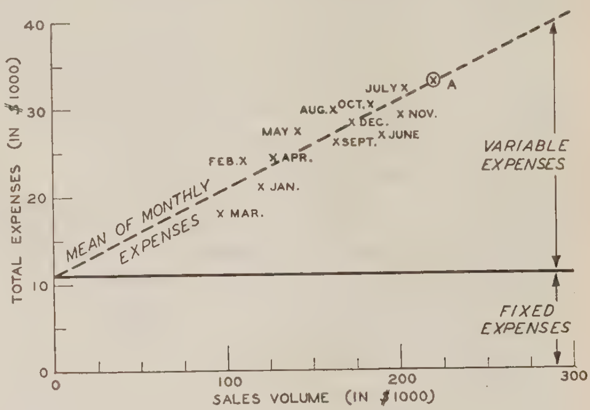
Expenses that might be included are: for selling—salaries, wages and commissions paid the sales staff, travelling expenses, advertising and sales promotion; for distribution—a share of the salaries and wages in the shipping department, cost of export packing materials, transportation and storage charges; for administration—salaries of the vice-president in charge of exports, the export manager and his assistants, clerks and stenographers, a share of the salaries paid other top executives and their clerical staff; for general expenses—stationery, office supplies, telephone, cables and other sundry items.

Fixed and Variable Expenses

Certain costs of operating the export department—the fixed costs—change very little with the volume of business. Other expenses—the variable costs—rise with increased export sales. Most administrative charges—including salaries paid executives, regional sales manager, sales engineers and representatives—remain relatively fixed; commissions to salesmen, travelling expenses, advertising and packing costs rise or fall with sales. (For details see "Example: Export Department Expenses".)

Some of the fixed expenses can be controlled. If the business trend is definitely down, the export manager may be able to reduce staff at head office or in regional offices in time to economize. He may also aim to reduce inventory although in practice it is likely to build up while sales drop; factory production cannot be cut off as quickly as sales can fall.

EXAMPLE: FIXED AND VARIABLE EXPENSES
FOR A GIVEN SALES VOLUME



Each "X" is plotted on the diagram horizontally from the figure for total expenses for a month and vertically from the figure for sales volume for the same month. When monthly records for the previous 24 to 36 months are available, a more accurate line for the "Mean of Monthly Expenses" in relation to sales volume can be drawn. The position of the mean line is established so that the sum of the distance from the mean line for the points above it is about the same for the points below the line.

Equipped with the diagram shown, the export manager can find the probable division between fixed and variable expenses for any given sales volume. An exporter whose monthly sales, for example, are $200 thousand finds he can get further orders for $20,000 if he can quote a lower price. But how much lower can he go?

From his diagram, (see point A), the export manager sees that total expenses for his department are about 15 per cent of the sales value for a $220 thousand volume. He finds that fixed expenses are one-third and variable expenses two-thirds. Instead of adding

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15 per cent to factory costs to cover sales costs, he could add as little as 10 per cent and still cover his variable expenses.

If the exporter must quote a cut price, it is advisable to cover at least the variable costs and if possible a share of fixed costs. If export sales at cut prices exceed 15 to 20 per cent of total exports, he runs the risk of not earning a net profit; higher-priced sales in less competitive markets could absorb some but not all of the fixed costs, expenses for trial runs, development and servicing.

Example: Profit and Loss Statement

GROSS SALES		1,500,000
Merchandise sales	1,300,000	
Shipments to subsidiaries	200,000	
DEDUCTIONS FROM GROSS SALES		42,000
Cash discount allowed	1,000	
Transportation out	40,000	
Special allowances	1,000	
NET SALES		1,458,000
GROSS COST OF MERCHANDISE SOLD		1,045,000
Standard cost	1,000,000	
Factory variance	25,000	
Trial run expense	5,000	
Development and research	10,000	
Rework and repair	2,500	
Transportation in	2,500	
GROSS INCOME		413,000
DEDUCT EXPORT DEPARTMENT EXPENSES		233,750
OPERATING INCOME		179,250
OTHER INCOME		19,000
Bad debt recoveries	500	
Interest income	1,500	
Royalties	15,000	
Foreign exchange gain	500	
Miscellaneous	1,500	
		198,250
OTHER DEDUCTIONS		2,500
Interest expense	1,500	
Foreign exchange loss	500	
Miscellaneous	500	
INCOME BEFORE TAXES ON INCOME		195,750 (13% of gross sales)
TAXES		92,500
Federal corporation tax	80,000	
Provincial income tax	7,500	
Reserves	5,000	
NET INCOME		103,250 (6·88% of gross sales)

The export manager, given the authority he should have to be flexible about prices, should analyze his profit-and-loss statement to decide what gross margin between selling price and factory costs leaves an adequate net profit. Such an analysis provides accurate data on which to base price quotations in various markets so that the export business as a whole earns a profit.

The Basis for Pricing

The net profit achieved in an export operation, of course, measures the exporter's efficiency. The profit and loss statement of an export department (see "Example: Profit and Loss Statement") is also a basis for calculating export prices and indicates whether the pricing methods used result in an overall profit.

The statement starts with merchandise sales, with deductions for cash discounts and the cost of transportation from factory or warehouse to the seaport. The net sales figure which results is then compared with costs.

Costs consist of standard costs (which are as a rule adjusted only every three months or six months) and of the factory variations or variances which indicate whether the actual production costs were higher or lower than the standard costs. To these costs are added the expenses for research, development, trial runs, repairs, and for the cost of transporting some materials or component parts to the factory. All these are expenses which are not specifically export operating expenses and for this reason are not included in the export department's expenses.

The total of standard costs, factory variances, and other expenses results in the gross costs which are deducted from the net sales figures to give the gross income. The gross income has to cover the export department's operating expenses, some incidental expenses encountered especially in export operations, and finally the net income or profit.

In our sample profit and loss statement, deducting gross costs from net sales leaves a gross income of $413 thousand which finally results in a net income after taxes higher than 6 per cent of sales. An average manufacturer who makes this percentage of net profit could consider his export operations satisfactory under present competitive conditions.

We have set a margin of 33⅓ per cent in our example between the standard costs ($1,000,000.00) and the merchandise sales value ($1,500,000.00) which is the total of export invoices at the quoted export trade term (we assume "f.a.s. Atlantic seaport"). Consequently, if the factory cost department indicates standard costs of $10.00 for a new product, then the gross margin of 33⅓ per cent will result in an f.a.s.

Detailed Export Quotation

These are the items the exporter includes when he draws up his price quotation and conditions of sale.

- *THE PRICE QUOTATION*

  The net price and currency
  Trade discount (if a standard price list used)
  Quantity discount
  Cash discount
  Point of delivery for the price quoted: (which foreign trade term: f.a.s., f.o.b. ship, c.i.f., etc?)

- *CONDITIONS OF PAYMENT*

  Examples: Open account (net cash 10 days after date of invoice)
  Irrevocable confirmed letter of credit
  Sight draft, documents against payment, etc.

- *GENERAL TERMS OF SALE*
  —to be agreed between seller and buyer

  Who is to pay for export packing?

  Is the commission to the company's representative or broker included in the price quotation?

  Date of delivery and possible penalties in case of default?

  Is shipment to be made in one lot or are partial shipments allowed?

  Is direct shipment required or is transhipment allowed?

  Is shipment under special flag required?

  Freight prepaid or freight collect?

  Who is to arrange for booking of shipping space?

  How is marine insurance to be arranged: by seller or buyer, on open policy for amount higher than c.i.f. value, etc.? Who is to pay for war risk?

  What documents are required and how are they to be handled?

  Who pays fees for certificates of origin, visas or consular invoices?

  What special inspection documents are required and who pays inspection costs?

  Are weight and quality discrepancies permitted? If so, up to what percentages?

  What bank is to be used for the presentation of documents?

  Who is to select the forwarding agent?

seaport price of $15.00, which provides for an adequate net profit as set out in this profit and loss statement.

This rough calculation of an export price will have to be adjusted upward for heavy goods with higher inland transportation costs or downward for a standardized product which has been manufactured for many years and is therefore less costly to handle.

Quoting Prices

Under present competitive conditions, the closer the exporter gets to the customer (by quoting, say, c.i.f. instead of f.o.b.), the better. The buyer wants to be able to calculate his landed price with as little trouble as possible. (See "Trade Terms and the Exporter" in the May 26, 1956, issue of *Foreign Trade*). When the exporter quotes various discounts (called trade discounts) on his list prices, depending on territory, his own work is simplified but it is less satisfactory to the buyer. Quoting a definite net price has a better psychological effect on the overseas customer and makes it easier for him to calculate landed costs.

The export manager may also quote quantity discounts or cash discounts on his net price. It is not advisable to grant cash discounts higher than 2½ per cent even if cash is paid in advance or irrevocable letters of credit established; most overseas customers suspect that prices are inflated to cover higher cash discounts. The currency must also be stated in the quotation; you should quote in U.S. dollars for many countries.

When you quote "f.o.b. port of shipment", you have prepaid all charges until the goods are on board ship. It gets more complicated for the exporter when he quotes c. & f. (cost and freight) but then the buyer has only to figure out the marine insurance, customs duties, and landing charges to find his landed cost.

A c.i.f. (cost, insurance and freight) price quotation leaves only customs duties and landing costs for the buyer to calculate. Sometimes the term c.i.f. and c. is used to assure the importer that all commissions are included in the price. If the seller agrees to absorb interest on financing at no extra charge, he will quote c.i.f.c. and i.

Nothing should be left to chance or wrong interpretation when the exporter makes a price quotation. Terms and conditions for the sale include the items listed under the heading, "Detailed Export Quotation". An experienced exporter, freight forwarder, bank expert, or lawyer can help draw up proper terms and conditions for the sale.

The exporter should accept all the help he needs to establish his prices correctly and quote them clearly. His product, no matter how useful its design or how well promoted, has to be priced correctly to succeed in the export market. ●

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commodity notes

Argentina

OLIVES—The 1955-56 olive crop has been officially estimated at 30,500 tons which, compared with last year's record crop of 56,400 tons, indicates a reduction of 44·9 per cent. Annual averages for the past ten and five years, however, have been exceeded by 31·2 per cent and 2 per cent. The drop in this season's crop is attributed to adverse weather and to deficient flowering, a condition which frequently follows an abnormally high output such as last year's—Buenos Aires, July 19.

Brazil

PINEWOOD—Pinewood export quotas have been established for the various exporting states to ensure an adequate supply of good-quality wood on the domestic market. Apparently stocks of the lower grades are ample but, because of heavy exports, the better grades are in short supply. Contracts already covered by confirmed letters of credit are not affected by this measure—São Paulo, July 26.

Cuba

FRESH FISH AND SHELLFISH—Consumption of fresh fish and shellfish in Havana in 1955 was valued at close to $5 million, according to a report by the Fisheries Division of the Cuban Ministry of Agriculture—Havana, July 25.

Denmark

GRAIN—The Danish Ministry of Agriculture now allows newly harvested Danish grain and malt to be sold for export to OEEC countries and the dollar area. However, for each sale an export permit must be obtained from the government grain office so that the Ministry can control the volume exported. Sales are expected to begin immediately; demand for newly harvested Danish malting barley is usually good at this time of year—Copenhagen, July 17.

Greece

PAPER—One of the three major Greek paper mills has purchased modern equipment (with a $2,060,000 loan from the Union des Banques Suisse) which will permit it to increase its output and add newsprint to its products. Paper production in Greece has totalled 22,500 tons annually—50 per cent of requirements. During 1955, 22,000 tons of paper were imported of which 12,818 were newsprint (3,229 tons from Canada); the remainder was chiefly highly finished paper.

Although the newsprint capacity of this mill is apparently enough to meet local requirements, it is anticipated that not more than 3,000 tons will actually be produced and marketed annually, at least during the next two or three years. The newsprint already offered for sale compares favourably with imported stock in quality and price. The Greek paper industry is handicapped by having to import all wood pulp for newsprint; a small portion of the raw materials needed for other papers in the form of scrap paper and rags is available locally—Athens, July 16.

India

STREPTOMYCIN, INSULIN—The Indian Government intends to start negotiations to buy equipment to make streptomycin at the government-owned penicillin factory at Pimpri, near Poona. The Government is also proposing to start a modern slaughterhouse in Bombay where animal glands can be properly collected and preserved. Although there are no definite plans to produce insulin in the country as yet, modern slaughterhouses will eventually be built in various parts of the country. Last year, 264·8 million units of insulin, costing Rs.1·9 million, were imported—New Delhi, July 20.

Jamaica

PAPER CONTAINERS—The manufacture in Jamaica of paper containers—bags, boxes, and cartons in a wide variety of types and sizes—is growing. Output of the factory, which is owned by Amalgamated Packaging Industries Ltd., an English company, is mostly sold in Jamaica but exports to other West Indian territories and also Central America are being developed. For example, stockfeeds mixed in Trinidad and Barbados, cement made in Trinidad, and

coffee grown in Central America are being packed in containers made in Jamaica. So is sugar manufactured here. To meet the growing demand for their numerous products, the owners of the factory are increasing the space and installing additional machinery—Kingston, July 20.

Japan

BICYCLES—According to the Japan Bicycle Manufacturers Association, exports of bicycles during the calendar year 1955 totalled 480 thousand machines valued at $8·5 million. This is an increase of 30 per cent in value and 40 per cent in quantity over 1954 but even so, 1955 exports amounted to only 20 per cent of total production. The export goal for the current year is set at $10 million and provisional figures for the first six months ($5,012,000) suggest that it may be reached. In recent months the most promising markets for Japanese bicycles have been Hong Kong and Singapore. Other important buyers are India, Indo-China, Formosa, and Indonesia—Tokyo, July 13.

Malaya

RUBBER—Total rubber exports of all grades to all countries from Singapore and the Federation of Malaya for June 1956 totalled 82,129 tons, an increase of 8,540 tons over the 73,589 tons exported in May. Total rubber imports of all grades from all countries into Singapore and the Federation of Malaya amounted to 23,867 tons, down 6,088 tons from the 29,955 tons imported in May—Singapore, July 20.

Netherlands

SALT—The Royal Netherlands Salt Industry is to raise its annual salt output from 580 thousand tons to 700 thousand tons to meet the greater needs of the salt factory and the chemical plant; production of the chemical plant in The Hague is to be increased by about 50 per cent. In Delfzijl, where a new soda plant industry is being established, an electric plant will have to be built and a new boiler house is being built at Hengelo to supply more current. If the demand for salt continues to rise, a salt industry may also be established at Delfzijl in a few years' time—The Hague, July 16.

Norway

FURNITURE—The Norwegian Furniture Export Co. Ltd. recently opened showrooms in London, England, and the organizers—mainly furniture manufacturers on the west coast of Norway—are optimistic about possibilities for their goods in the British market. The Norwegian pieces exhibited in London are extremely modern in design and of the highest quality—Oslo, June 14.

South Africa

GOLD—Gold production in the Union last year reached a value of £184 million, an increase of £20 million. Dividends paid by the mines which represent approximately 96 per cent of the country's production totalled £23·3 million in 1955, compared with £19·9 million in 1954. Mining costs have continued to rise and reached 40/5d per ton after advancing 1/9d per ton in the twelve months. The Chamber of Mines has warned that these figures include returns from 16 marginal mines in which the profit margin is currently less than 5/– per ton, and that during 1954 this group of mines produced new gold to a value of £43 million—Johannesburg, July 23.

TITANIUM DIOXIDE—Following the 1955 discovery of the large ilmenite deposits in Natal, a titanium dioxide plant is to be built at Umbogintwini, at a cost of £2 million. Initial production target of the plant (which will begin operations in 1958) is 8,000 tons of pigment a year. This includes a substantial surplus for export—Johannesburg, July 23.

Sweden

WOOD PULP—According to a report in the *Swedish Wood Pulp Journal*, Scandinavian producers of chemical pulp quote the same prices in the third quarter (and in a number of cases also for the fourth quarter) as for the second quarter of this year. In the United Kingdom the quotations for paper pulp vary between the following margins (all per long ton c.i.f. British East Coast ports): bleached sulphite, £59 15s—£60 15s; bleached sulphate, £60-£61; strong unbleached sulphite, £51-£52; strong unbleached kraft pulp, £48-£49. For the leading Continental markets the following prices apply (per metric ton c.i.f. West European ports): bleached paper sulphite, Kr.850-870; bleached sulphate, Kr.855-875; strong unbleached sulphite, Kr.715-735; strong sulphate, Kr.670-690. Prices for dissolving pulp also remain unchanged for the third quarter; for viscose pulp of standard quality, prices are £66 per long ton c.i.f. England or Kr. 937·50 per metric ton c.i.f. Western Europe.

On the American market the same prices are being quoted as for the second quarter: bleached paper sulphite, $145-$150; bleached sulphate, $152.50-$155; strong unbleached sulphite, $125-$130, and unbleached kraft, $120-$125 per short ton on dock—Stockholm, July 20.

United States Imports from Canada

B. S. SHAPIRO, *International Trade Relations Branch.*

THE FOLLOWING TABLE has been prepared by the Department of Trade and Commerce from the 1955 import statistics of the United States. The table lists all categories in which imports from Canada reached approximately $100 thousand in 1955 and gives the rates of duty imposed by the United States on each of the categories shown. Part A consists of dutiable imports and Part B of free imports. The total value of the listed imports from Canada is $2,414,940,000.

The figures do not represent a complete coverage of the trade, because the United States follows the practice of excluding from statistics of individual commodities all import shipments valued at less than $250 each.

The table is published here, however, with the thought that our readers may find it useful as a check list of the types of goods and approximate rates of duty involved in Canadian trade with the United States.

The rates of duty are those in force as of July 1, 1956. Some of these rates will be entitled to further small reductions both next year and the following year in accordance with the terms of the recent tariff agreements. For more complete details on the full tariff descriptions and tariff classification of any particular product, readers should get in touch with the International Trade Relations Branch.

Selected Items in the U.S. Import Statistics for 1955 Showing Imports of Approximately $100,000 or More from Canada

TABLE A—DUTIABLE IMPORTS AND RATES OF DUTY

Description	U.S. Tariff		1955 Value of Imports	
	Para. No.	Rate of duty July 1, 1956	from all countries	from Canada
			(thousands of dollars)	
ANIMALS AND ANIMAL PRODUCTS—				
Cattle, under 200 lb. each	701	1½¢ lb.	77	60
Cattle, 200-700 lb	701	2½¢ lb.	11,229	194
Cows, dairy	701	1½¢ lb.	3,913	3,820
Cattle, nspf, 700 lb. and over	701	1½¢ lb.	8,468	3,274
Sheep and lambs	702	75¢ each	185	185
Hogs	703	1¢ lb.	258	243
Chickens, ducks, geese, turkeys	712	9½¢ lb.	298	292
Beef, fresh, chilled	701	3¢ lb.	6,671	2,241
Pork, fresh, chilled or frozen	703	1¼¢ lb.	15,410	15,377
Lamb, fresh or chilled	702	3½¢ lb.	432	99
Hams, bacon, etc., not cooked or canned	703	2¢ lb.	4,585	4,495
Hams, shoulders, cooked or canned	703	3¼¢ lb.	77,655	9,729
Pork, prepared or preserved	703	3¼¢ lb.	9,576	3,134
Meats, canned, nspf	706	10%	2,141	80
Cheese, cheddar	710	15%	694	194
Salmon, groundfish, mackerel, sturgeon, fresh-water fish	717(a)	½¢ lb.	17,495	15,365
Swordfish, fresh or frozen	717(a)	1¢; 1½¢ lb.	2,000	1,323
Fish, fresh or frozen, nspf	717(a)	1¢ lb.	1,183	165
Groundfish, frozen blocks	717(b)	1⅞¢; 2½¢ lb.	9,466	7,336
Groundfish, fillets	717(b)	1⅞¢; 2½¢ lb.	15,302	10,769
Halibut, salmon, flounder, freshwater fish, other fish, filleted	717(b)	1½¢ lb.	17,627	11,747
Canned salmon	718(b)	15%	4,555	3,008
Canned herring, not in oil	718(b)	5¾%	2,002	275
Cod, haddock, pickled or salted	719(2)	¼¢; ½¢ lb.	6,071	5,607

Description	U.S. Tariff Para. No.	U.S. Tariff Rate of duty July 1, 1956	1955 Value of Imports from all countries (thousands of dollars)	1955 Value of Imports from Canada (thousands of dollars)
Cod, haddock, skinned or boned	719(3)	1¼¢ lb.	1,722	1,693
Herring, mackerel, pickled or salted cod	719(4)	¼¢; ½¢ lb.	3,865	1,835
Fish, prepared, nspf	720(b)	1¢ lb.	1,308	485
Fish sticks, uncooked	720(d)	20%	39	39
Crab meat, fresh or frozen	721(a)	15%	208	201
Eggs of chickens, whole	713	3½¢ doz.	1,019	793
Hides, of cattle, calf and kip	1530(a)	4%	6,308	2,163
Sole leather	1530(b)	10%	343	286
Upper leather, cattle, grains	1530(b)	9½%	819	744
Upper leather, cattle, splits	1530(b)	12½%	176	125
Upper leather, cattle, patent	1530(b)	7½%	1,476	244
Upper leather, calf and kip	1530(b)	12½%	4,535	1,636
Glove and garment leather	1530(b)	9½%	372	346
Upper leather, cut stock	1530(b)	10%	140	95
Leather shoes, welt	1530(e)	38¢ per pair, but not less than 5% nor more than 19%.	4,417	167
Leather shoes, welt	1530(e)			
Leather slippers	1530(e)	10%	1,082	817
Leather moccasins	1530(e)	10%	927	190
Leather shoes, other	1530(e)	10%; 20%	4,353	112
Furs, persian lamb	1519(a)	7½%; 10%	523	347
Whale oil, sperm	52	1.15¢; 3½¢ gal.	4,965	276
Herring oil	52	1¼¢ gal. plus ¾¢ lb.	190	178
Tallow, inedible	701	⅞¢ lb.	136	133
Horses, not over $150 each	714	$7.50 each	169	149
Animals, live, nspf	715	7½%	1,640	334
Bristles	1507	3¢ lb.	10,697	93
Casein, lactarene	19	2¾¢ lb.	13,557	668
VEGETABLE PRODUCTS—				
Barley	722	7½¢ bu.	25,216	25,181
Buckwheat	723	10¢ per 100 lb.	139	139
Corn, certified seed	724	12½¢ bu.	615	364
Oats	726	4¢ bu.	9,345	9,152
Rye	728	6¢ bu.	3,330	3,327
Wheat	729	21¢ bu.	2,077	2,076
Wheat, unfit for humans	729	5%	8,476	8,474
Flour of wheat	729	52¢ per 100 lb.	184	182
Biscuits, not sweetened	733	9½%	761	199
Wafers, cakes and baked articles	733	9½%	2,196	404
Barley malt	722	30¢ per 100 lb.	4,137	4,133
Oats, unhulled, ground	726	12½¢ per 100 lb.	230	230
Hay	779	$1.18 per ton	553	553
Feeds, wheat and other cereals and mixed feeds	730	2½%	6,643	4,927
Beet pulp, dried	730	$1.90 a ton	1,349	619
Brewers' grains	730	$1.25 a ton	2,320	2,022
Grain hulls	730	2½¢ per 100 lb.	118	118
Screenings	731	2½%	3,259	3,234
Dog food containing grain	730	2½%	119	119
Manufactured dog food, other	1558	10%	407	407
Dried beans	765	1½¢; 3¢ per lb.	306	306
Green peas	769	1¢; 2¢ per lb.	443	108
Potatoes	771	37½¢; 75¢ per 100 lb.	3,225	2,986
Turnips	773	6¢ per 100 lb.	2,449	2,449
Lettuce	774	95¢ per 100 lb.	243	243
Carrots	774	12½%	263	263
Edible vegetable preparations	1558	20%	781	89
Apples	734	12½¢ bu.	3,962	3,910
Raspberries, blueberries	736	½¢; ¾¢; 1¢ per lb.	2,190	2,190
Cherries	737	2¢ lb.	101	97
Grapes	742	12½¢ cu. ft.	1,572	999
Currant and berry jams and jellies	751	9½%	742	348
Other jams and jellies	751	19%	271	83
Frozen blueberries	736	8¼%	548	477
Peaches, pears, and plums	745	¼¢; ½¢ per lb.	1,204	417
Mustard seed, whole	781	⅞¢ lb.	1,922	1,476
Molasses, inedible	502	0·014¢ per lb. of sugar	34,111	110
Sugar candy	506	14%	8,836	71
Maple sugar and syrup	503	1½¢; 2¢ per lb.	5,514	5,514

Description	U.S. Tariff Para. No.	U.S. Tariff Rate of duty July 1, 1956	1955 Value of Imports from all countries	1955 Value of Imports from Canada
			(thousands of dollars)	
Whisky (rye)	802	$1.25 per gal.	54,914	54,914
Apple cider	738	3¢ per gal.	408	303
Beer	805	12½¢ per gal.	8,904	4,124
Auto tires	1537(b)	9½%	4,177	309
Auto inner tubes	369(c)	12½%	204	88
Synthetic rubber, crude	1558	9½%	6,339	6,149
Soft rubber manufactures	1537(b)	12½%	2,455	382
Drugs of animal or vegetable origin	34	5%	13,168	1,003
Rapeseed oil, inedible	1732	2¼¢ lb.	820	361
Dyeing extracts, n.e.s	38	7½%	317	128
Alsike clover seed	763	2¢; 6¢ lb.	783	783
Alfalfa and red clover seed	763	2¢ lb.	727	666
Sweet clover seed	763	0·9¢ lb.	1,518	1,518
Kentucky and Canada bluegrass seed	763	1¼¢; 2¢ lb.	640	428
Fescue seed	763	1¢ lb.	1,558	1,494
Millet and timothy seed	763	½¢ lb.	773	384
Bromegrass seed	763	0·9¢ lb.	951	949
Peat moss	1548	25¢ ton	579	420
TEXTILE FIBRES AND MANUFACTURES—				
Coats, of cotton	919	10%	3,455	122
Wool, raw	1102(b)	25½¢ lb.	89,334	259
Wool noils	1105(a)	12¢ lb.	26,519	179
Wool waste and rags	1105(a)	9¢ lb.	14,563	609
Wool flocks	1105(a)	3½¢ lb.	138	104
Wool hose	1114(b)	20% and 37½¢ lb.	2,904	76
Wool wearing apparel	1115(a)	23½% and 37½¢ lb.	3,714	97
Body support garments	1529(c)	26%	424	68
Synthetic textile waste	1302	5%	570	158
WOOD AND PAPER—				
Wooden blocks and shapes	406	2½%	189	164
Lumber, softwood	401	from 25¢ to $1.00 per 1,000 bd. ft.	277,825	263,398
Hardwood flooring	402	4%	950	946
Lumber, hardwood (except flooring)	1803	$1.50 per 1,000 bd. ft.	4,416	1,211
Dowels of hardwood	1803	$1.50 per 1,000 bd. ft.	225	221
Packing boxes and shooks	407	3¾%	159	153
Barrels and kegs, wood	407	7½%	94	85
Birch plywood	405	15%	18,968	12,631
Other plywood	405	20%	31,429	72
Veneer, wood	405	10%	15,685	13,785
Furniture, of wood	412	11½%	4,183	200
Paintbrush handles	412	9½%	213	199
Broom and mop handles	412	9½%	126	116
Doors, of wood	412	15½%	1,305	710
Forks and spoons, wood	412	17½%	623	297
Ice hockey sticks	412	10%	119	117
Manufactures of wood, nspf	412	16⅔%	11,299	1,945
Paper, uncoated, book and printing	1401	4¾% and 0·19¢ lb.	6,292	5,992
Paper, wrapping, kraft	1409	9½%	4,444	1,154
Paper, coated with metal, etc	1405	10% and 4½¢ lb.	331	192
Paper, greaseproof	1405	7% and 1·4¢ lb.	765	105
Book and other paper, surface coated	1405	7% and 2⅜¢ lb.	2,164	68
Pulpboard in rolls, for manufacture of wallboard	1413	7½%	1,641	1,613
Insulating board	1402	5%	723	584
Wallboard, paperboard, pulpboard, leatherboard, etc., not plate-finished or coated	1402	5%; 7½%	3,954	2,435
Hardboard	1413	$7.25 ton, but not less than 7½% nor more than 15% ad val.	4,586	2,962
Paperboard, pulpboard, finished or coated, etc	1413	$6.88 ton, but not less than 7% nor more 14% ad val.	5,129	3,524
Paper, paperboard, cut, embossed	1413	15%	403	112
Hanging paper, not coloured	1409	4¾%	345	341

Description	U.S. Tariff		1955 Value of Imports	
	Para. No.	Rate of duty July 1, 1956	from all countries	from Canada
			(thousands of dollars)	
Hanging paper, coloured	1409	10% and ½¢ lb.	1,648	399
Paper, sheathing and roofing, inc. roofing felt	1402	5%	548	464
Manufactures of paper, nspf	1413	17½%	4,323	200
ON-METALLIC MINERALS—				
Petroleum, crude, under 25 A.P.I	1733	⅛¢ gal.	109,705	3,289
Petroleum, crude, over 25 A.P.I	1733	¼¢ gal.	552,490	38,566
Naphtha and finished light products	1733	¼¢ gal.	296	211
Gasoline	1733	1¼¢ gal.	26,019	1,326
Residual fuel oil	1733	¼¢ gal.	253,828	796
Lime	203	2½¢ per 100 lb.	559	559
Cement	205(b)	2¼¢ per 100 lb.	12,737	2,688
Manufactures of plaster of paris	205(e)	16½%	341	249
Glass in sheets	219	From ·76¢ to 1·5¢ lb.	14,323	3,328
Glass and manufactures, laminated	220	22½%	562	252
Fluorspar	207	$2.10 ton	6,344	1,495
Rockingham earthenware	210	6¼%	714	114
Magnesite bricks and shapes	201(a)	5% and ⅜¢ lb.	992	990
Unglazed brick	201(b)	50¢ per 1000	298	205
Refractory material of magnesia and lime	214	15%	558	558
Earthy and mineral substances and products	214	15%	2,863	560
Asbestos shingles	1501(c)	3/10¢; ⅜¢ lb.	2,504	1,922
Asbestos brake and clutch lining, yarn, packing	1501	9½%; 10%	750	243
Articles wholly or in part of carbon or graphite	216	15%	3,097	2,621
Magnesite, deadburned	204	23/60¢ lb.	6,729	946
Salt, in bags, barrels	81	3½¢ per 100 lb.	116	116
Salt, in bulk	81	1·9¢ per 100 lb.	1,090	908
METALS AND MANUFACTURES—				
Granular or sponge iron	301	62½¢ ton	522	203
Pig iron, not over ·04% phosphorus	301	37½¢ ton	972	541
Pig iron, over ·04% phosphorus	301	60¢ ton	13,577	13,175
Steel bars, concrete reinforced valued from 5 to 8¢ lb.	304	12½%	1,042	172
Steel plates, galvanized	307	10%	170	170
Steel ingot and billet, valued from 2½ to 5¢ lb.	304	9½%	9,116	9,090
Steel billet, alloyed, valued from 8 to 12¢ lb.	304	1·15¢ lb.	343	342
Steel billet, valued over 16¢ lb.	304	11½%	1,118	1,108
Steel sheet	308	10%	386	356
Steel beams	312	1/10¢ lb.	9,721	101
Steel rails	322	1/20¢ lb.	279	118
Wire and cable, covered (except copper)	316(a)	16½%	583	420
Steel strip	313, 316(a)	11½%; 12½%	2,812	2,589
Wire nails	331	2/10¢ lb.	17,456	134
Castings of iron	327	5%	1,690	1,068
Forgings	319(a)	11½%	149	95
Bolts and bolt blanks	330	½¢ lb.	3,228	119
Articles of iron or steel, nsfp	397	21%	3,856	363
Tools, nspf, for cutting metal	352	23½%; 30%	1,954	91
Ferromanganese	302(d)	⅝¢; 15/16¢ lb.	12,047	312
Ferrochrome	302(k)	⅝¢ lb.	4,189	2,090
Ferrosilicon	302(i)	0·9¢; 1·4¢; 2¢ lb.	1,993	1,981
Silicon aluminum	302(j)	2⅜¢ lb.	106	106
Tungsten ore and concentrate	302(c)	50¢ lb.	55,964	6,636
Molybdenum ore and concentrate	302(b)	33¢ lb.	142	142
Calcium metal	302(n)	17½%	835	835
Alloys, nspf, for mfr. steel	302(o)	12½%	844	383
Aluminum metal, crude	374	1·4¢ lb.	74,695	71,359
Aluminum plate, sheet, bar	374	2·8¢ lb.	13,973	4,065
Aluminum foil	382(a)	10·2¢ lb.	2,963	501
Articles of aluminum, nspf	397	21%	1,239	237
Copper in rolls, sheets, rods	381	1¼¢ lb.	10,451	3,461
Copper tubing	381	3½¢ lb.	5,832	332
Copper wire, covered	316(a)	16½%	13,768	6,278
Copper wire, nspf	316(a)	12½%	685	604
Articles of copper, nspf	397	21%	258	120

Description	U.S. Tariff Para. No.	U.S. Tariff Rate of duty July 1, 1956	1955 Value of Imports from all countries	1955 Value of Imports from Canada
			(thousands of dollars)	
Brass rod, sheet, tubing	381	2¢ lb.	17,376	907
Lead ores	391	$\frac{3}{4}$¢ lb.	38,258	10,555
Lead, in pigs	392	1-1/16¢ lb.	73,089	8,894
Lead, scrap dross	392	1-1/16¢ lb.	3,904	1,243
Type metal	392	1-1/16¢ lb.	4,379	1,693
Lead pipe, sheets, etc	392	1-5/16¢ lb.	535	109
Nickel, in pigs, ingots	389	1$\frac{1}{4}$¢ lb.	149,522	127,442
Zinc-bearing ores	393	3/5¢ lb.	39,524	18,540
Zinc, in pigs, slabs	394	7/10¢ lb.	46,638	27,410
Bismuth	377	1$\frac{7}{8}$%	1,128	84
Cadmium	378	3$\frac{3}{4}$¢ lb.	1,320	802
Lighting fixtures	397	21%	590	144
Tin plate containers	397	12%	452	108
Articles of metal, not elsewhere specified	397	21%	9,705	664

The remainder of Table A, Dutiable Imports, and Table B, Duty-Free Imports, will appear in the September 1st issue of "Foreign Trade"—Editor.

Trade Commissioners on Tour

D. S. ARMSTRONG, Canadian Trade Commissioner in Singapore, begins a tour of Canada in Vancouver and Victoria, September 4-14. His itinerary is:

Edmonton—Sept. 17-18
Winnipeg—Sept. 20-21
Toronto—Sept. 24-Oct. 2
Hamilton: St. Catharines: Welland—Oct. 3-4
Brantford—Oct. 5
Sarnia: Windsor—Oct. 9
Brockville—Oct. 11

L. S. GLASS, Commercial Counsellor for Canada in Wellington, New Zealand, began his Canadian tour in Montreal, August 6. His itinerary is:

Toronto—Aug. 20-29
Kitchener: Waterloo—Aug. 30
Guelph: Galt—Aug. 31
Hamilton—Sept. 4-7
Niagara Falls—Sept. 10
St. Catharines: Welland—Sept. 11
Brantford—Sept. 12
London—Sept. 13
Windsor: Walkerville—Sept. 14
Sarnia—Sept. 17
Winnipeg—Sept. 20-21
Regina—Sept. 24
Calgary—Sept. 25-26
Edmonton—Sept. 27-28
Vancouver—Oct. 1-12
Victoria—Oct. 15-16

C. S. BISSETT, Commercial Counsellor for Canada in Buenos Aires, Argentina, began his Canadian tour in Montreal, July 30-August 10. His itinerary is:

Toronto—August 13-24
Windsor—August 27
Hamilton—August 28-29
Kitchener—August 30
St. Catharines: Welland—August 31
Vancouver—September 10-14
Ottawa—October 24

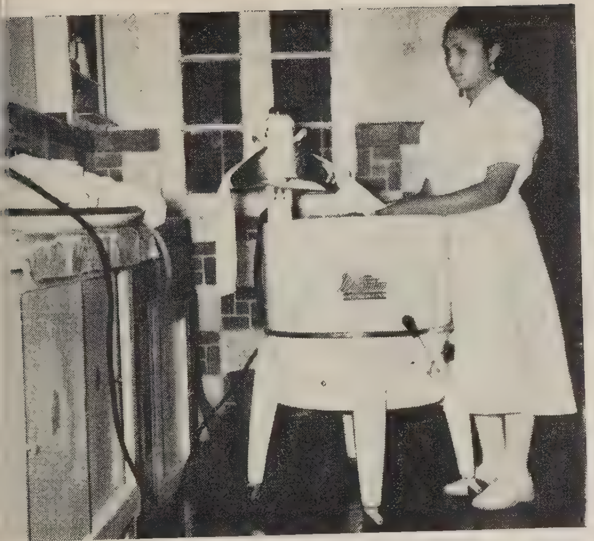
Businessmen in the various centres may get in touch with these officers through the Board of Trade in Brantford, Galt, Guelph, and Montreal; Chambers of Commerce in Brockville, Calgary, Hamilton, Kitchener, London, Niagara Falls, Regina, St. Catharines, Sarnia, Waterloo, Welland and Windsor; the Canadian Manufacturers Association in Edmonton, Toronto and Winnipeg; the Department of Trade and Commerce in Vancouver and Ottawa, and the Department of Trade and Industry in Victoria.

Tours of Territory

W. J. MILLYARD, Canadian Trade Commissioner in Salisbury, Federation of Rhodesia and Nyasaland, will visit British East Africa September 3-20.

K. F. NOBLE, Canadian Trade Commissioner in Johannesburg, South Africa, will be in Durban from October 8-13.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible.


In Peru—Washday in this Lima home is made easier by a Canadian washing machine. The Canadian firm's sales to this market began with a contact made at the 1950 CITF.


In Egypt—While the Statue of Rameses II looks on with dignified detachment, this Egyptian gardener cuts the grass in a central square in Cairo with a lawn mower from Canada.

Canada in Foreign Markets

Canadian exporters are invited to contribute to this series photographs of their products in use or on sale in foreign markets. Photographs should be adequately captioned, protected for mailing, and addressed to: The Editor, "Foreign Trade".


In Sweden—These little tots live in Stockholm but the toys they are enjoying so much were made in Canada. The Canadian manufacturer has been successful in placing a number of his lines in Swedish stores within recent months.


In the United States—At Fort Bragg in North Carolina, the Psychological Warfare Contingent lines up for inspection. The berets which top their uniforms are Canadian.

Argentina

the Country and the Market

This article, prepared by Mr. Bissett, Commercial Counsellor in Buenos Aires, before he returned to Canada on leave and tour, provides valuable background for the businessman here who would like to consult him about sales opportunities in Argentina. Details of his tour, which began July 30 and will end in late October, will be found on page 20.

C. S. BISSETT, *Commercial Counsellor, Buenos Aires.*

ARGENTINA COVERS AN AREA of roughly 1,080,000 square miles—about 28 per cent of the area of Canada. No census has been taken since 1947 but the present population is estimated at close to 20 million. About 20 per cent live in Greater Buenos Aires and a further 25 per cent in the remainder of the Province of Buenos Aires and ten per cent in each of Santa Fé and Cordoba Provinces. These three areas thus contain about two-thirds of the total population.

The country can be divided roughly into six zones. The first zone, the pampas or central plains, is the main source of Argentina's agricultural and pastoral production and therefore of its foreign exchange earning power. This area, very similar to the Canadian prairies, includes the Provinces of Buenos Aires, southern Santa Fé and Cordoba, and La Pampa. To the north lies the second zone, the river country, in the Provinces of Entre Rios, Corrientes and Misiones. It produces similar crops to the first zone, as well as others requiring a milder climate. The third zone, farther north, is sub-tropical in nature and comprises the Provinces of Jujuy, Salta, northern Santa Fé and Cordoba, Santiago del Estero and the Formosa and El Chaco territories. Its main products are sugar, fruit, hardwoods and petroleum.

The fourth zone is the foothills region, running the length of the Andes and comprising parts of La Rioja, Catamarca, Tucuman, San Juan, Cordoba, Mendoza, San Luis and La Pampa. Generally it is arid but it produces very well under irrigation. Mendoza is noted for its grapes and wines, Tucuman for its sugar, and the whole for its fruit, cereal and seed crops as well as petroleum production. The fifth zone, the chain of the Andes, embraces parts of all of the provinces which border on it. As yet it is little explored but it is believed to be a storehouse of valuable metals and minerals. The last area, Patagonia, stretching to the south and somewhat arid, bleak and cold, includes the territories of Rio Negro, Chubut, Santa Cruz and Tierra del Fuego. It produces mainly mutton, wool and some petroleum. The valley of the Rio Negro is known for its apples and other types of temperate-climate fruits.

Agricultural Production

Of some 690 million acres, about 40 per cent is used for grazing livestock, mostly natural pasture, but some is seeded. In the centre and north, cattle are raised and in the south, sheep. Forests in the far north and far south occupy 30 per cent of the acreage and croplands another 10 per cent. The rest of the country is barren.

Wheat is the main cereal crop and production this year is estimated at about 185 million bushels—considerably below the average of the past three years. Corn is next in importance, with production this year at about 160 million bushels. Substantial quantities of oats, barley and rye are also raised as well as oilseeds—mainly flax, sunflower and peanuts. Alfalfa is extensively grown for pasture. In the northerly areas cotton, rice and sugar are important crops. In a normal year exports of cereals, oilseeds and vegetable oils account for roughly 45 per cent of the foreign exchange earnings of the country.

Argentina is also an important producer of livestock and by-products. No census has been taken recently, but the livestock population is said to total some 45 million head of cattle, 55 million sheep and about four million hogs. Frozen and chilled meat is a very important export; so is wool. Canned meats are exported in substantial amounts; so are hides and skins and other animal by-products. Sales abroad of casein, butter and cheese are also considerable. Livestock products account in a normal year for a further 45 per cent of the country's foreign exchange earnings. Agriculture supports the country's economy and any failure in the crop or livestock sectors throws the economy notably off balance.

Manufacturing Industries

Heavy industry has not been developed in Argentina to any important extent but negotiations are at present under way to build a primary steel-producing plant from which a well-developed basic steel industry could evolve. Argentina is practically self-sufficient in the basic foodstuffs and beverage industries as well as in tobacco processing, textiles and clothing, rubber goods, and building cement. Other well-developed industries include furniture, soaps, cosmetics and toilet goods, household electrical goods, footwear and leather goods, and pharmaceutical products. The basic materials for the rubber and pharmaceutical products industries are mostly imported, as are the more complex pharmaceutical preparations. Other industries which have made considerable progress include light and heavy chemicals, paper and paper products, plastic products, agricultural implements and machinery, and a wide range of metal goods.

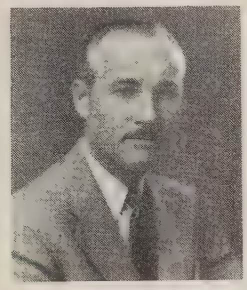
Foreign Trade

Over the past five years Argentina's foreign trade, expressed in thousands of pesos, was valued as follows:

Year	*Exports*	*Imports*	*Balance*
1951	6,710,900	10,491,700	−3,780,800
1952	4,392,000	8,361,200	−3,969,200
1953	7,189,500	5,667,400	+1,522,100
1954	6,757,300	7,115,800	− 358,500
1955	7,297,645	8,904,620	−1,606,975

The early part of this five-year period was one of relatively poor crops, especially in 1952. Heavy adverse trade balances took a severe toll of existing foreign exchange reserves but these are gradually being rebuilt as imports continue to be restricted.

The chief imports in recent years in order of value were machinery and vehicles; iron and steel manufactures; fuels and lubricants; food products; chemical and pharmaceutical products; timber; textiles and their manufactures; non-ferrous metals and their manufactures; pottery, glass and abrasives; paper and cardboard; rubber and rubber manufactures.



CLIFFORD S. BISSETT, Commercial Counsellor in Buenos Aires, Argentina, since 1950, is on his tour of Canada which began in Montreal on July 30. He is currently in Toronto until August 24 and will then visit other centres in Ontario and the West. He hopes to meet businessmen interested in the Argentine market and to discuss export possibilities or problems with them. After his tour and home leave, Mr. Bissett returns to his post in Buenos Aires.

Clifford Bissett has been in the Trade Commissioner Service since 1925. He was first posted to Cape Town and four years later transferred to the Lima office. Since then he has served in Tientsin (China), Havana, Mexico City and Caracas before taking over his present position in Buenos Aires.

Further details of his itinerary appear on page 20.

The chief suppliers are the United Kingdom, the United States, Germany, Brazil, Netherlands, Chile, Russia, France, Japan, Italy, and Belgium.

Distribution Centres

Most exports and imports funnel through Buenos Aires, the capital, which dominates the financial and commercial life of the country; practically all importers, exporters and commission agents are located here. At one time the river port of Rosario was an important export centre (especially for grain), but it declined greatly in the past decade when the previous government neglected to dredge adequately the channels of the Parana River. Dredging has been resumed and Rosario may shortly regain some of its former importance as an export centre. Bahia Blanca also has some importance as an export centre, as well as the ports of Santa Fé, La Plata, and Mar del Plata. The inland towns such as Cordoba, Mendoza and San Juan have no particular standing as distribution centres.

Language, Currency and Measures

The official language of the country is Spanish and the ability to speak and correspond in it is of great value to any exporter. However there are a considerable number of branches of British and United States companies operating in Buenos Aires and a fair percentage of Argentine businessmen are fluent in English or French or both.

The official currency is the peso, valued for "official market" transactions at 18 pesos per US$1.00 or the equivalent in other currencies. There is also a "free market" rate which is applicable to about 8 per cent of the imports and to all non-trade transactions. This rate, which fluctuates with supply and demand, is now about 32 pesos per US$1.00. The basic monetary unit is the gold peso but these coins have not been in circulation for decades. The gold peso is now used only as a unit of measure, particularly in assessing customs import duties. For this purpose gold pesos are translated into paper pesos (moneda nacional) at one gold to 2·2727 paper pesos.

The metric system is the legal standard for all weights and measures and its use is compulsory. The use of any other system by itself is prohibited. However, such systems may be used freely with the metric system, provided the latter is displayed as prominently as the former.

Quotations and Terms

The preferred method is to quote c. and f. Buenos Aires for all goods. By law all importers, when the transport risk is for their account, must place their marine insurance business with companies registered and operating in Argentina. Steamer quotations, f.o.b., are acceptable in many cases but when these are used, the exporter should send the buyer full information about ocean freight charges and any other relevant shipping expenses, so that he can easily calculate the c. and f. value of the merchandise. Quoting f.a.s. is much less acceptable and f.o.b. or f.o.r. quotations at some interior non-seaboard point are useless.

At least 92 per cent of imports are subject to import-exchange permits and to the "official market" exchange rate. Importers must deposit with the bank the equivalent value in pesos before they receive their permits. Accordingly letter-of-credit terms are the most common and are quite acceptable for such business. For imports through the free market, however, sight draft and date draft terms, which disappeared from Argentine trading practice for many years, are being revived. They will become increasingly important as free market imports are allowed to expand. Purchases on long terms over a period of years, if imported through the official market, must have prior Central Bank approval.

Shipping Documents, Marking and Packing

All shipments by sea require these documents for presentation to Customs: the original and the first copy of a consular invoice (in which is incorporated the certificate of origin) made valid by an Argentine Consular officer; one copy of the bill of lading signed by the shipper and made legal by an Argentine Consul; and two copies of the commercial invoice, also visaed by an Argentine Consul.

The country of origin must be shown on all merchandise which will reasonably carry such identification, either marked, stamped or tagged. For preserved foods and pharmaceutical products, special regulations are in force.

The import duties generally are levied on the invoice value of the goods, basis c.i.f. Argentine port. However, some items are dutiable on the legal or gross weight and when these are received without the customary wrappings or containers the "aforo" (valuation for duty) is increased by 10 per cent. When the lack of the customary packing material is not specifically mentioned in the invoice, double duties are levied.

The Royal Bank of Canada has a branch in Buenos Aires and other Canadian banks arrange collections through banking correspondents in the capital.

Samples

The businessman should send samples by sample post, not by parcel post, as postage rates are usually lower and as a rule he avoids customs declarations. The packages should be marked "Muestras sin valor" (samples without value). Duty is levied if samples have a commercial value, but payment may be avoided by posting a bond to re-export the goods. This is valid for 90 days and renewable for another 90 days.

Patents and Trademarks

The first person to apply for a patent or trademark is entitled to register it, no matter who owns it in any part of the world outside Argentina. Prior use, either outside or inside Argentina, is not considered a reason to annul a registration because no right to it can be claimed unless it was registered previously. All patents and trademarks which are or may be used profitably in Argentina should be registered beforehand.

Communications

Freight services are operated to Buenos Aires from eastern Canada by the Moore McCormick Steamship Co., Lamport & Holt, and International Freighting Corporation. From B.C. ports, services are provided by Moore McCormick, and Pope and Talbot, San Francisco, when there is sufficient cargo.

Canadian Pacific Airlines operates a weekly service from Vancouver and Toronto via Mexico City and Lima to Buenos Aires.

Visitors

The best seasons to visit Argentina are April-May and September-October. The winter, June to August, although it is damp, is not considered cold by Canadian standards and would also be suitable. To escape the northern winter, Canadians usually choose the worst time to visit Argentina, January to March, which is generally oppressively humid, hot and enervating. It is also the holiday period when many businesses are closed for annual vacations, top executives are out of town, and business is slack.

Travellers who solicit and take orders must enter with a business visit visa and on arrival take out a federal licence. A businessman should apply for such a visa several weeks in advance as it must be referred to Buenos Aires for decision. Business visitors are subject to Argentine income tax and before departure must first obtain a tax clearance certificate. Visitors entering as tourists are exempt from these requirements but may not bring with them such things as samples, advertising literature and catalogues, which would indicate that the real purpose of their visit is to do business.

In October 1955, restrictions on the entry and exit of foreign bank-notes and other forms of currency were abolished. At present any currency, including Argentine, may freely enter and leave the country in any amount, either on the person of travellers, in their baggage, or by mail.

Visitors must present evidence of smallpox vaccination dated within the three years previous to the time they enter Argentina. To be valid this certificate must show the reaction obtained.

Data for Exporters

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Belgium, Belgian Congo, Bolivia, Brazil, Chile, Colombia, Cuba, Dominican Republic, Egypt, Finland, France, Western Germany, Greece, Guatemala, Haiti, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Nicaragua, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland, United States and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.

Index to "Foreign Trade"

The index to Volume 105 (January-June 1956) of Foreign Trade *is now ready. If you would like a copy, write to the Editor,* Foreign Trade, *Department of Trade and Commerce, Ottawa.*

trade and tariff regulations

Austria

TRANSIT TRADE AUTHORIZED—The Viennese economic paper *Internationale Wirtschaft* reports that at the present time trade authorizations are generally granted for transit transactions involving the purchase of EPU currencies for the acquisition of dollar goods. On the other hand, authorizations are seldom given for the purchase of dollar goods and their re-sale against EPU currencies—Berne, July 24.

IMPORT OF TRADE SAMPLES EASED—On July 16 the International Convention to Facilitate the Importation of Commercial Samples and Advertising Material became effective in Austria. This arrangement provides for duty-free and tax-free entry of low-valued commodity samples and the temporary entry of higher-valued samples. It formalizes the facilities for the entry of samples which Austria granted unilaterally in the past. Moreover, graphic promotion literature and material may now be imported into Austria without payment of duties and taxes and without quantitative restrictions. The temporary entry of commercial promotion films is eased and is no longer subject to quantity limitations —Berne, July 27.

Indonesia

IMPORT LICENSING SYSTEM SUSPENDED—Effective August 6, Indonesia suspended its import licensing system and introduced a new export premium system. New import regulations and surcharges are anticipated.

Since it is not clear whether import licences issued prior to August 6 are still valid, Canadian exporters who are about to ship goods to Indonesia may wish to verify the validity of the relevant import permits with their Indonesian customers before making shipment—Djakarta, Aug. 6.

Norway

DOLLAR IMPORTS LIBERALIZED—In *Foreign Trade* of August 4, 1956, we reported that the Norwegian authorities are issuing import licences automatically on application for certain dollar imports effective July 1. Detailed information is now available regarding the liberalized commodities. They include the following products of interest to Canadian exporters:

- Sausage casings, natural
- Split peas
- Tomato paste in containers weighing more than five kilograms gross
- Unmanufactured tobacco
- Tallow
- Rapeseed oil
- Fish oils, crude
- Cod liver oil, for medicinal or veterinary purposes
- Raw hides and skins
- Raw fur skins
- Flaxseed and other oil seeds
- Synthetic rubber
- Crude absestos
- Iron ore and ores of non-ferrous metals
- Scrap of iron and non-ferrous metals
- Clover seed, grass seed and various other seeds
- Montan wax
- Aluminum oxide
- Various dyes and paints
- Various crude chemicals and chemical products
- Tires and inner tubes
- Rubber hose and belting
- Textile yarns and yard goods
- Fishing nets of textile materials
- Rope
- Iron and steel, primary and semi-fabricated
- Nickel copper matte
- Non-ferrous metals, primary and semi-fabricated
- Various manufactures of base metals, including needles and tools
- Diesel engines over 700 h.p. including those for ships
- Agricultural machines
- Bookkeeping and calculating machines
- Tractors
- Various industrial machinery and machine tools
- Electric motors
- Electrical machines including radio wireless apparatus, washing machines, etc.
- Radar equipment
- Locomotives
- Various parts for motor vehicles, including engines, sparkplugs, engine and body parts, etc.

Detailed information on individual commodities may be obtained from the International Trade Relations Branch.

United States

CUSTOMS VALUATION METHODS CHANGED—On August 2 the President signed the Customs Simplification Act which changes the methods by which imported goods are appraised for duty purposes.

This legislation makes "Export Value" the prime basis for levying ad valorem duties. It defines "Export Value", briefly, as the price at which the

foreign goods undergoing appraisement are freely sold or offered for sale to United States importers who buy in the usual wholesale quantities for industrial use or for resale otherwise than at retail.

The previous law required the United States Customs to determine both "Foreign Value" and "Export Value" and to levy duties on the basis of the higher value.

The new valuation system will not be applied, however, to all goods. The Act directs the U.S. Treasury Department to publish a provisional list of imported articles whose value for duty purposes would be reduced by more than 5 per cent if appraised under the new "Export Value" basis. United States manufacturers will have 60 days after publication of the list to request the Treasury Department to give consideration to additional items. Items on the final list will not be granted the benefits of the new valuation law, but will continue to be valued on the old basis of "Foreign Value", which is the highest price at which the goods are sold in the home market.

Further details will be published as more information becomes available.

West Germany

IMPORT QUOTAS FOR CANADIAN EXHIBITORS —Canadian exporters participating in international exhibitions in the Federal Republic of Germany during the second half of 1956 will be granted special import permits to a total amount of 1 million D marks (about $235 thousand) for non-agricultural materials and manufactured goods, and 2·3 million D marks (about $540 thousand) for agricultural products. In addition, special quotas have been established for Canadian exhibitors at the Berlin Industries Fair (September 15 to 30) amounting to 500 thousand D marks (about $117,500) for non-agricultural materials and manufactured goods, and a further 500 thousand D marks for agricultural products. Apart from these quotas, imports of Canadian salmon products into the Federal Republic of Germany will be approved up to a value of 300 thousand D marks (about $70,000).

These quotas apply to items which have not been liberalized by West Germany, with the exception of certain listed goods, including the following:

Fresh salted and smoked salmon; salted and filleted herring; butter, milk and milk products, except powdered full cream milk; potatoes; cereal groats, meal and semolina; pearled, crushed or flaked cereal grains and edible germs of cereals; edible lard, margarine, imitation lard and other prepared edible fats; meat and edible offals, products and preparations thereof except meat extracts; fresh fruits; non-edible horticultural products and seeds.

Further, limited quotas only are available for the following:

Flour of cereals; macaroni, noodles and similar alimentary pastes; canned fruits and vegetables, fruit juices and concentrates; gluten, gluten flour, glucose, glucose syrup; potato granules (sago), tapioca; cheese; natural honey.

The quotas for the last three groups (gluten, etc., cheese and honey) are not available at the Berlin Industries Fair.

The following is a schedule of trade fairs and exhibitions of an international character to be held in the Federal Republic of Germany in the second half of 1956:

International Leather Goods Trade Fair ..	Offenbach	September 1-6
GIFA—International Foundry Exhibition..	Duesseldorf	September 1-9
International Police Exhibition	Essen	September 1-23
International Autumn Fair	Frankfort	September 2-6
Household Goods and Hardware Fair	Cologne	September 7-9
Frankfort Book Fair ..	Frankfort	September 19-24
German Industries Exhibition	Berlin	September 15-30
Textile and Clothing Fair	Cologne	September 16-18
International Exhibition of Provisions and Italian Warehouse Goods	Munich	Sept. 21-Oct. 7
PHOTOKINA—International Photography and Cinema Exhibition	Cologne	Sept. 29-Oct. 7
INDROFA—International Druggists' Exhibition	Duesseldorf	October 7-14
3rd International Bicycle and Motorcycle Show	Frankfort	October 21-28

Information on the status of particular Canadian goods under German liberalization and under quotas for exhibitors may be obtained from the International Trade Relations Branch of the Department.

Bricklaying Invention

A simple device invented by a Southern Rhodesian has trebled the output of African bricklayers. The invention is known as "the Boswell corner post" and consists of a series of wooden posts at the corners of a building to enable bricks to be laid without the use of a builder's level or course-height gauge. It is such a simple device that farmers who have never laid bricks before in their lives can do so easily and there is no reason why it should not be used by skilled bricklayers to save time. Sales are handled by a Salisbury firm.

Coming to Canada on Business

The information about foreign business visitors given here is, to the best of our knowledge, accurate at the time of going to press. We cannot, however, accept responsibility for any changes in itineraries nor for cancellation of plans. This information is published as a service and in no way represents sponsorship or selection by the Department of Trade and Commerce. We cannot undertake to enter into correspondence about these visitors.

▶ from Australia

*FRANK SEALES of W. J. Carr Pty Ltd., 95-99 Bay Street, Port Melbourne, Victoria, and President, Australian Federation of Manufacturing Stationers, will investigate ideas for the Australian stationery industry. He plans to arrive in Montreal the third week in September and to stay in Canada approximately a month. Main cities on itinerary are Montreal, Toronto, Vancouver.**

*S. T. ATKINSON, Director of A. G. Healing Ltd., dealing in automobile parts, expects to arrive in Montreal October 3 to visit the Montreal area for a few days.**

** For further information or to make arrangements to see these two men, please contact C. L. Steele, Australian Government Trade Commissioner, 1255 Phillips Square, Montreal.*

▶ from the Belgian Congo

RENE DELVAUX, senior partner, Messrs. Redelco, general importers of Leopoldville, Belgian Congo, will visit Canada during the latter half of September. The main purpose of his visit is to keep in touch with present Canadian principals and friends but he would welcome leads which might increase his firm's representation. He is especially interested in consumer durable goods and foodstuffs, mainly canned, dried, and salted fish. While in Canada Mr. Delvaux will visit the Department of Trade and Commerce in Ottawa.

▶ from Indonesia

ROBERT Y. N. KING, representing the X-ray and medical products division of Messrs. N. V. H., Mij., and J. A. Wattie and Company, Tanah Abang Barat 40, Djakarta, Indonesia, importers of pharmaceuticals, X-ray and medical equipment, and food products, will visit Canada early in September. The company he represents also imports general equipment and supplies for the Wattie Estates and other estates through control of the Estates Supplies and Trading Company in Surabaya. Mr. King will arrive in Ottawa during the first two weeks of September to consult with Atomic Energy of Canada Limited. He plans also to include visits to an aviation electronics company and a chemical firm in Montreal. His mailing address is c/o Mr. W. J. Green, Atomic Energy of Canada Limited, Ottawa, Ontario.

▶ from Mexico

ALFONSO CALVA, engineer with Otis Elevator Company, will visit the company's offices in Toronto towards the end of August for one week. Mr. Calva is interested in electrical and mechanical apparatus.

M. MUNOZ LOPEZ, executive vice-president and mining engineer, Cia. Minera Nor-Ex, S.A. will discuss mining problems with Noranda Mines Ltd., Toronto, Ontario. He arrived in Canada July 22 and expects to stay for 30 days.

▶ from Norway

MESSRS. JOHANNESSEN AND OMDAL, manager and joint manager of the State Grain Corporation which controls purchases and distribution of both domestic and imported wheat in Norway, will visit Canada from August 19 to September 13 as guests of the Canadian Wheat Board. Their tour, which begins in Vancouver, includes visits to Banff, Calgary, Winnipeg, Churchill, Fort William, Toronto, Ottawa, and Montreal as the party moves east.

foreign trade service abroad

*** No Foreign Trade Officer at this post.**
Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Territory	Officer	City Address	Mail and Cables, Office Telephone
Argentina	C. S. Bissett, Commercial Counsellor	Canadian Embassy, Bartolome Mitre 478, BUENOS AIRES	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 33-8237
Argentina Paraguay, Uruguay	W. F. Hillhouse, Agricultural Secretary		
Australia (Capital Territory, New South Wales, Queensland, Northern Territory) Dependencies	J. C. Britton, Commercial Counsellor for Canada Commercial Secretary	City Mutual Life Building. 60 Hunter Street, SYDNEY	*Mail:* P.O. Box 3952 G.P.O *Cable:* CANADIAN *Tel.:* BW 5696
Australia (Victoria, South Australia, Western Australia, Tasmania)	R. W. Blake, Commercial Secretary for Canada	83 William Street MELBOURNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* MU 4716
Belgian Congo Angola, French Equatorial Africa	K. Nyenhuis, Canadian Government Trade Commissioner	Forescom Building, LEOPOLDVILLE 1.	*Mail:* Bôite Postale 373 *Cable:* CANADIAN *Tel.:* 2706
Belgium Luxembourg	T. J. Monty, Commercial Counsellor K. G. Ramsay, Assistant Commercial Secretary J. R. Roy, Assistant Commercial Secretary	Canadian Embassy, 35 rue de la Science, BRUSSELS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 11-33-88
Brazil	Commercial Secretary H. M. Maddick, Commercial Secretary	Canadian Embassy, Edificio Metropole, Av. Presidente Wilson 165 RIO DE JANEIRO	*Mail:* Caixa Postal 2164 *Cable:* CANADIAN *Tel.:* 42-4140
Brazil	C. E. Butterworth, Consul and Trade Commissioner G. F. Osbaldeston, Vice Consul and Assistant Trade Commissioner	Canadian Consulate, Edificio Alois, Rua 7 de Abril 252, SAO PAULO	*Mail:* Caixa Postal 6034 *Cable:* CANADIAN *Tel.:* 36-6301
***Ceylon**	Office of the High Commissioner for Canada	6 Gregory's Road Cinnamon Gardens, COLOMBO	*Mail:* P.O. Box 1006 *Cable:* DOMCANADA *Tel.:* 91341
Chile	L. D. Burke, Acting Commercial Secretary	Canadian Embassy, 6th Floor, Av. General Bulnes, 129, SANTIAGO	*Mail:* Casilla 771 *Cable:* CANADIAN *Tel.:* 64189
Colombia Ecuador	W. B. McCullough, Commercial Counsellor A. P. Savard, Commercial Secretary	Canadian Embassy, Avenida Jimenez No. 7-25, Office 613, BOGOTA	*Mail:* Apartado 1618 *Airmail:* Apartado Aereo 3562 *Cable:* CANADIAN *Tel.:* 30-065
Cuba	G. A. Browne, Commercial Secretary	Canadian Embassy, Edificio Ambar Motors, Avenida Menocal 16, HAVANA	*Mail:* Apartado 1945 *Cable:* CANADIAN *Tel.:* UO-9457
Denmark Greenland	C. F. Wilson, Commercial Counsellor	Canadian Embassy, 4 Trondhjems Plads, COPENHAGEN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Tria 1602

Territory	Officer	City Address	Mail and Cables, Office Telephone
Dominican Republic Puerto Rico	M. B. Bursey, Commercial Counsellor	Canadian Embassy, Edificio Copello 408, Calle El Conde, CIUDAD TRUJILLO	*Mail:* Apartado 451 *Cable:* CANADIAN *Tel.:* 5318
Egypt Aden, Sudan, Cyprus, Ethiopia, Saudi Arabia, Yemen	M. R. M. Dale, Commercial Secretary	Canadian Embassy, 6 Sharia Rouston Pasha, Garden City, CAIRO	*Mail:* Kasr el Doubara Post Office *Cable:* CANADIAN *Tel.:* 23110
France Algeria, French West Africa, Tunisia	R. Campbell Smith, Commercial Secretary A. L. Neal, Attaché J. H. Bailey, Assistant Commercial Secretary	3 rue Scribe, PARIS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* OPEra 42-30
Germany Federal Republic	B. A. Macdonald, Commercial Counsellor S. G. Barkley Commercial Secretary M. B. Blackwood, Assistant Commercial Secretary	Canadian Embassy, 22 Zitelmannstrasse, BONN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Bonn 21971
Greece Israel, Turkey	A. B. Brodie, Commercial Secretary	Canadian Embassy, 31 Vassilissis Sophias Ave., ATHENS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 74044
Guatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	H. W. Richardson, Canadian Government Trade Commissioner J. R. Midwinter Assistant Trade Commissioner	5a Avenida Sud, 10-68 GUATEMALA CITY	*Mail:* P.O. Box 444 *Airmail:* P.O. Box 400 *Cable:* CANADIAN *Tel.:* 5590
***Haiti**	Chargé d'Affaires, a.i. and Consul	Route du Canape Vert, St. Louis de Turgeau, PORT AU PRINCE	*Mail:* P.O. Box 826
Hong Kong China, Indo-China, Macao, Taiwan	C. M. Forsyth-Smith Canadian Government Trade Commissioner Assistant Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg., HONG KONG	*Mail:* P.O. Box 126 *Cable:* CANADIAN *Tel.:* 28336
India	Wm. Jones, Commercial Secretary	Office of the High Commissioner for Canada, 4 Aurangzeb Road, NEW DELHI	*Mail:* P.O. Box 11 *Cable:* CANADIAN *Tel.:* 40191
India	T. F. Harris, Canadian Government Trade Commissioner G. F. Mintenko, Assistant Trade Commissioner	Gresham Assurance House, Mint Road, BOMBAY	*Mail:* P.O. Box 886 *Cable:* CANADIAN *Tel.:* 32968
Indonesia	W. D. Wallace, Commercial Secretary	Canadian Embassy, Budi Kemulian No. 6, DJAKARTA	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Gambir 499
Ireland	T. G. Major, Commercial Counsellor for Canada	66 Upper O'Connell St., DUBLIN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 44251
Italy Libya, Malta, Yugoslavia	S. G. MacDonald, Commercial Counsellor W. R. Van, Commercial Secretary K. F. Osmond, Commercial Secretary (Fisheries)	Canadian Embassy, Via G. B. De Rossi 27 ROME	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 846-824

Territory	Officer	City Address	Mail and Cables, Office Telephone
Jamaica Bahamas, British Honduras	H. E. Campbell, Canadian Government Trade Commissioner	Canadian Bank of Commerce Chambers, KINGSTON	*Mail:* P.O. Box 225 *Cable:* CANADIAN *Tel.:* 2858
Japan Korea	J. L. Mutter, Commercial Counsellor W. G. Pybus, Commercial Secretary	Canadian Embassy, TOKYO	*Mail:* Canadian Embassy *Cable:* CANADIAN *Tel.:* 48-4116
Japan	J. E. Lancaster, Canadian Government Trade Commissioner	7th Floor, Crescent Bldg., 72 Kyomachi, Ikutaku, KOBE	*Mail:* P.O. Box 513 *Cable:* CANADIAN *Tel.:* 3-4617
Lebanon Iraq, Jordan, Persian Gulf Area, Syria	G. F. G. Hughes, Commercial Secretary	Canadian Legation, Alpha Building, Rue Clemenceau, BEIRUT	*Mail:* Bôite Postale 2300 *Cable:* CANADIAN *Tel.:* 30794
Mexico	Commercial Counsellor C. O. R. Rousseau, Assistant Commercial Secretary	Canadian Embassy, Edificio Internacional, Paseo de la Reforma, MEXICO, D. F.	*Mail:* Apartado 126-Bis *Cable:* CANADIAN *Tel.:* 36-27-90
Netherlands	V. L. Chapin, Commercial Secretary Commercial Secretary W. R. Hickman, Assistant Commercial Secretary	Canadian Embassy, Sophialaan 1-A, THE HAGUE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 18-51-06
New Zealand Fiji, Western Samoa	L. S. Glass, Commercial Counsellor J. MacNaught, Assistant Commercial Secretary	Office of the High Commissioner for Canada, Government Life Insurance Bldg., WELLINGTON	*Mail:* P.O. Box 1660 *Cable:* CANADIAN *Tel.:* 70-644
Norway Iceland	J. C. Depocas, Commercial Counsellor	Canadian Embassy, Fridtjof Nansens Plass 5, OSLO	*Mail:* P. O. Box 1379—Vika *Cable:* CANADIAN *Tel.:* 33-30-80
Pakistan Afghanistan, Iran	R. K. Thomson, Commercial Secretary	Office of the High Commissioner for Canada, Hotel Metropole, Victoria Rd., KARACHI	*Mail:* P.O. Box 3703 *Cable:* CANADIAN *Tel.:* 5826
Peru Bolivia	H. J. Horne, Commercial Secretary	Canadian Embassy, Edificio Boza, Carabaya 831, Plaza San Martin, LIMA	*Mail:* Casilla 1212 *Cable:* CANADIAN *Tel.:* 72760
Philippines	H. L. E. Priestman, Consul General and Trade Commissioner W. J. Jenkins, Vice Consul and Assistant Trade Commissioner	Canadian Consulate General, Ayala Building Juan Luna Street MANILA	*Mail:* P.O. Box 1825 *Cable:* CANADIAN *Tel.:* 3-33-35
Portugal Azores, Madeira	Richard Grew, Commercial Counsellor	Canadian Embassy, Rua Marques de Fronteira No. 8—4° D° LISBON	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 53117
Rhodesia and Nyasaland Kenya, Seychelles Is., Tanganyika, Uganda, Zanzibar	W. J. Millyard, Canadian Government Trade Commissioner	Dolphin House, Union and Moffat Sts. SALISBURY	*Mail:* P.O. Box 2133 *Cable:* CANTRACOM *Tel.:* 26571
Singapore Brunei, Burma, Federation of Malaya, North Borneo, Sarawak, Thailand	M. P. Carson, Canadian Government Trade Commissioner W. G. Huxtable, Assistant Trade Commissioner	Room E-3, Union Building. SINGAPORE	*Mail:* P.O. Box 845 *Cable:* CANADIAN *Tel.:* 30631-2

Territory	Officer	City Address	Mail and Cables, Office Telephone
South Africa (Natal, Transvaal, Orange Free State), Madagascar, Mauritius, Mozambique, Reunion	K. F. Noble, Canadian Government Trade Commissioner	Mutual Building, Harrison Street, JOHANNESBURG	*Mail:* P.O. Box 715 *Cable:* CANTRACOM *Tel.:* 33-2628
South Africa (Cape Province) Southwest Africa	A. W. Evans, Canadian Government Trade Commissioner	Grand Parade Centre Bldg., Adderley Street, CAPE TOWN	*Mail:* P.O. Box 683 *Cable:* CANTRACOM *Tel.:* 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio de Oro, Tangier	M. T. Stewart, Commercial Counsellor	Canadian Embassy, Edifico España, Avenida de Jose Antonio 88, MADRID	*Mail:* Apartado 117 *Cable:* CANADIAN *Tel.:* 47-54-00
Sweden Finland	I. V. Macdonald, Acting Commercial Secretary	Canadian Embassy, Strandvagen, 7-C, STOCKHOLM	*Mail:* P.O. Box 14042 *Cable:* CANADIAN *Tel.:* 67-92-15
Switzerland Austria, Czechoslovakia, Hungary	B. I. Rankin, Commercial Secretary N. W. Boyd, Assistant Commercial Secretary	Canadian Embassy, Kirchenfeldstrasse 88, BERNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 4-63-81
Trinidad Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, French West Indies	D. B. Laughton, Canadian Government Trade Commissioner	Colonial Building, 72 South Quay, PORT-OF-SPAIN	*Mail:* P.O. Box 125 *Cable:* CANADIAN *Tel.:* 34787
United Kingdom (South of England, East Anglia, Scotland), British West Africa (Gambia, Gold Coast, Nigeria, Sierra Leone)	H. L. Brown, Commercial Counsellor G. H. Rochester, Commercial Counsellor (Timber) D. A. B. Marshall, Commercial Counsellor (Agricultural) T. M. Burns, Commercial Secretary	Office of the High Commissioner for Canada, Canada House, Trafalgar Square, LONDON, S.W.1	*Mail:* (City Address) *Cable:* SLEIGHING *Tel.:* Whitehall 8701 *Cable:* TIMCOM
United Kingdom (Midlands, North England, Wales)	Canadian Government Trade Commissioner	Martins Bank Building, Water Street, LIVERPOOL	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Central 0625
United Kingdom (Northern Ireland)	T. G. Major, Canadian Government Trade Commissioner	36 Victoria Square, BELFAST	*Mail:* (City Address) *Tel.:* 21867
United States Delaware, Maryland, Virginia, West Virginia	R. G. C. Smith, Commercial Counsellor Dr. W. C. Hopper, Agricultural Counsellor	Canadian Embassy, 1746 Massachusetts Ave., N.W. WASHINGTON 6, D.C.	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* DEcatur 2-1011

Territory	Officer	City Address	Mail and Cables, Office Telephone
Washington	H. A. Gilbert, Commercial Secretary D. H. Burns, Assistant Agricultural Secretary		
United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda, Liberia	S. V. Allen. Deputy Consul General (Commercial) C. R. Gallow, Consul and Trade Commissioner C. E. Butterworth, Consul and Trade Commissioner	Canadian Consulate General, 620 Fifth Ave., NEW YORK CITY 20	*Mail:* (City Address) *Cable:* CANTRACOM *Tel.:* JUdson 6-2400
United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire)	D. H. Cheney, Consul and Trade Commissioner	Canadian Consulate General, 532 Little Building, 80 Boylston Street, BOSTON 16	*Mail:* (City Address) *Tel.:* HAncock 6-4320
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	G. A. Newman, Deputy Consul General (Commercial) R. F. Renwick, Consul and Trade Commissioner W. G. D'Arcy, Vice Consul and Assistant Trade Commissioner	Canadian Consulate General, 1412 Garland Building, 111 North Wabash Street, CHICAGO	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* RAndolph 6-6033
United States (Michigan, Ohio)	M. J. Vechsler, Consul and Trade Commissioner A. A. Lomas, Vice Consul and Assistant Trade Commissioner	Canadian Consulate, 1035 Penobscot Building, DETROIT 26	*Mail:* (City Address) *Tel.:* WOodward 5-2811
*United States California (the ten southern counties), Clark County in Nevada, Arizona, New Mexico.	Consul General	Canadian Consulate General, 510 West Sixth Street, LOS ANGELES 14	*Mail:* (City Address) *Tel.:* VAndike 2233
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	A. A. Caron, Consul and Trade Commissioner	Canadian Consulate General, 215-217 International Trade Mart NEW ORLEANS 12	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* RAymond 2136
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The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1·018136.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent Aug. 2	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Official	·05457	18·33	(1)
		Free	·03295	30·34	
Australia	Pound		2·18800	·4570	
Austria	Schilling		·03778	26·46	
Belgium-Luxembourg	Franc		·01971	50·73	
Belgian Congo	Franc		·01971	50·73	
Bolivia	Boliviano	Official	·005169	193·61	
British West Indies	Dollar		·5698	1·75	(2)
	Pound		2·7350	·4211	(3)
	Dollar	British Honduras	·6838	1·4624	
Brazil	Cruzeiro	Effective selling*			
		*Category I	·009843	101·6	
		Category II	·007508	133·2	tax 10% (4)
		Category III	·004993	200·3	*June 26
		Official buying	·053505	18·69	(5)
Burma	Kyat		·2063	4·847	
Ceylon	Rupee		·2051	4·876	
Chile	Peso	Free	·001988	503·018	(15)
Colombia	Peso	Basic	·3929	2·545	(7)
		Free*	·2036	4·911	*July 31
Costa Rica	Colon	Official	·1749	5·718	
		Controlled free	·1479	6·760	
Cuba	Peso		·9822	1·018	tax 2% (4)
Czechoslovakia	Koruna		·1364	7·331	
Denmark	Krone		·1422	7·032	
Dominican Republic	Peso		·9822	1·018	
Ecuador	Sucre	Official	·06548	15·271	
		Free	·05278	18·946	
Egypt	Pound	Official	2·8204	·3546	(6)
Fiji	Pound		2·4640	·4064	
Finland	Markka		·004270	234·2	
France	Franc		·002807	356·3	(8)
French Africa	Franc		·005614	178·1	(9)
French Pacific	Franc		·01544	64·77	(10)
Germany	D Mark		·2344	4·266	
Greece	Drachma		·03274	30·54	
Guatemala	Quetzal		·9822	1·018	
Haiti	Gourde		·1964	5·092	
Honduras	Lempira		·4911	2·036	
Hong Kong	Dollar	Free*	·1628	6·143	*July 20
		Official	·1709	5·851	
Iceland	Krona	Official	·06031	16·58	
		Special buying	·04472	22·36	
		Special selling	·35224	28·39	(11)
India	Rupee		·2051	4·876	
Indonesia	Rupiah	Basic	·08649	11·56	(12)
Iran	Rial	Certificate	·01297	77·12	
Iraq	Dinar		2·7501	·3636	
Ireland	Pound		2·7350	·4211	
Israel	Pound		·5457	1·833	
Italy	Lira		·001577	634·1	
Japan	Yen		·002729	366·4	
Lebanon	Pound	Free	·3051	3·277	
Mexico	Peso		·07858	12·73	

* Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent Aug. 2	Units per Canadian dollar	Notes (See below)
Netherlands	Guilder		·2565	3·899	
Netherlands Antilles	Guilder		·5168	1·935	
New Zealand	Pound		2·7350	·3656	
Nicaragua	Cordoba	Effective buying	·1488	6·720	
		Official selling	·1393	7·178	
Norway	Krone		·1375	7·272	
Pakistan	Rupee		·2051	4·876	
Panama	Balboa		·9822	1·018	
Paraguay	Guarani	Official	·01637	61·09	(6) (13)
Peru	Sol	Certificate	·05169	19·35	
Philippines	Peso		·4911	2·036	
Portugal	Escudo		·03428	29·17	(14)
El Salvador	Colon		·3929	2·545	
Singapore & Malaya	Straits dollar		·3191	3·134	
South Africa (Union of)	Pound		2·7350	·4211	
Spain & Dependencies	Peseta	Basic buying	·04485	22·30	
		Basic commercial selling	·05980	16·72	(6)
		Free	·02522	39·65	
Sweden	Krona		·1899	5·266	
Switzerland	Franc		·2292	4·363	
Syria	Pound	Free*	·2775	3·603	*June 15
Thailand	Baht	Free	·04738	21·11	(6)
Turkey	Lira		·3508	2·851	
United Kingdom	Pound		2·7350	·4211	
United States	Dollar		·9822	1·018	
Uruguay	Peso	Official	·6466	1·547	tax 6% (4)
		Principal buying	·5744	1·741	(6)
		Principal selling rates	·4677	2·138	
			·4405	2·270	
Venezuela	Bolivar		·2932	3·411	
Yugoslavia	Dinar		·003274	305·4	(6)

* Latest available quotation date.

notes

1. Argentina: additional rates result from exchange retentions on export proceeds and surcharges on imports.
2. Barbados, Trinidad, Tobago, Leeward and Windward Islands, British Guiana.
3. Bahamas, Bermuda, Jamaica.
4. Tax affects selling (import) rates only; certain essential imports exempt.
5. Brazil: currency certificates auctioned for five import categories. Effective selling rate is official rate of 18.82 to U.S. dollar plus price of certificate. Tax of 10 per cent applies to official rate (tax is 1.88 cruzeiros per U.S. dollar). Exporters receive cruzeiros at official rate plus exchange premiums ranging from 18.70 to 48.64 cruzeiros per U.S. dollar, depending on product. Three rates shown cover bulk of transactions for auction.
6. Additional rates are in effect.
7. Colombia: stamp taxes of 3, 10, 30, 80 and 100 per cent on imports depending on essentiality. The free rate applies to minor exports and less essential imports.
8. Includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
9. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
10. New Caledonia, New Hebrides, Oceania.
11. Iceland: special rates apply to minor export products of small fishing boats and designated non-essential imports.
12. Indonesia: basic rate applies to most exports and a few essential imports. Purchase of exchange for other imports is subject to surcharges of 50, 100, 200 or 400 per cent depending on products.
13. Official rate applies to exports and essential imports. For non-essential imports there is a surcharge of 25 Guaranis per U.S. dollar.
14. Portugal: approximately same rate for Portuguese Territories in Africa.
15. Chile: free rate applies to exports and to imports, except prohibited imports. Chilean importers must deposit local currency in amounts ranging from 5 to 200 per cent, depending on product, prior to shipment of goods.

businessman's bookshelf

Year Book and Guide to Southern Africa, 1956

A. Gordon Brown. 874 pages plus appendix. $3.00.

THIS ANNUALLY REVISED GUIDE covers the Union of South Africa, the Federation of Rhodesia and Nyasaland, South West Africa, Basutoland, Bechuanaland, Swaziland and Southern Angola, and it should prove useful to travellers bent either on business or pleasure. Although it is too large to be considered a "pocket guide", this book contains a wealth of information on the area. Subjects treated include practically everything, from history, climate and government, to transportation, where to stay, what to see, etc.; and the 48-page coloured atlas provides excellent maps for all areas. One feature of the 1956 edition is the extensive changes made in the arrangement of sections dealing with the Federation and constituent territories. Sub-indexes have been provided at the beginning of each section.

The guide is a companion piece to the *Year Book and Guide to East Africa* reviewed last month; both are produced by the Union Castle Mail Steamship Company Limited.

Order from: H. W. Wilson Company, 950-972 University Avenue, New York 52, New York.

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The Institute of Bankers. 226 pages. 20s.

IN THE EVER-CHANGING WORLD of international banking and foreign trade, it is often difficult for the businessman to keep abreast of developments. Getting the basic facts often means reading a large volume of material and a concise, complete, readable and authoritative source of information is thus always welcomed.

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The subjects covered included: "The Background of World Resources", "International Trade Institutions", "Exchange and Payments Controls and Their Influence on Foreign Trade", "The International Flow of Capital", "The Postwar Monetary Policy of the Benelux Countries in its Effect on Foreign Trade", "The Postwar Monetary Policies of France, Italy and Switzerland in Their Effect on Foreign Trade", "State Assistance to Foreign Trade", "Insurance Aid to International Trade", "Shipping and Air Services in International Trade", "Conflict of Laws and Foreign Trade", "The Unification of Commercial Law".

All these are topics of current and practical interest to the businessman. In total, this book gives him an insight into the workings of international banking, exchange controls and other subjects important in foreign trade, in a compact and readable way.

Order from: Europa Publications Limited, 56 Bloomsbury Street, London, W.C. 1.

Venezuela

Commercial Section, Canadian Embassy, Caracas. 24 pages. Free.

WHAT KIND OF A MARKET is Venezuela? What imported products sell readily? How do I go about planning a business trip there? Is documentation a problem? What about shipping services?

The inquiring exporter will find in this attractive booklet succinct answers to these and other questions about Venezuela. He can read it through in 15 minutes, yet it will give him a distinct impression of a wide-awake country with money to spend and with few artificial barriers to trade. Some statistics on population, domestic production, imports and exports are included.

First of a "Market Information" series to be published by the Foreign Trade Service of the Department of Trade and Commerce, this booklet provides essential business information in a form that most businessmen should welcome.

Order from: Information Branch, Department of Trade and Commerce, Ottawa.

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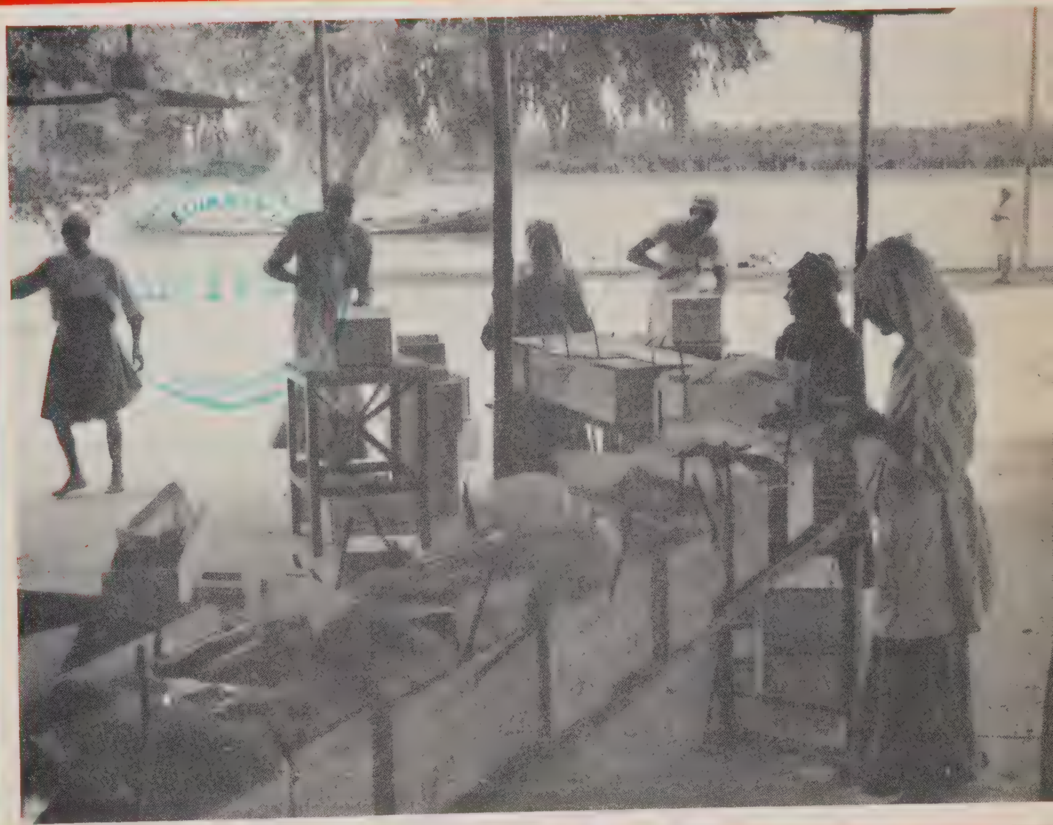
Where, what and how to sell in other countries are questions which the Commodity Officers, Trade Commissioners and other experts in the Department of Trade and Commerce can help you answer . . . their up-to-date information and advice on world-wide markets is yours for the asking.

SEPTEMBER 1, 1956

foreign trade

CANADA



THE NEW IRAQ: A CHALLENGING MARKET (page two)

CANADA

foreign trade

Established in 1904

Published fortnightly by the Department of Trade and Commerce.
The Right Honourable C. D. HOWE, Minister,
WM. FREDERICK BULL, Deputy Minister.

OTTAWA, SEPTEMBER 1, 1956, Vol. 106, No. 5

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cover These Iraqui workers are packing for shipment abroad their country's third most important export, dates. Oil, the leading export, has brought prosperity to Iraq, and the country's sound development program should provide an expanding market for a wide range of Canadian goods. For the story of the new Iraq and the opportunities it offers, please turn to page two.

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The New Iraq

a challenging market

Prosperous and financially sound as a result of steady oil income and a well-planned development program, Iraq has made great strides along the road of economic progress. Given a climate of peace, continued expansion there should greatly increase markets for Canadian capital and consumer goods.

G. F. G. HUGHES, *Commercial Secretary, Beirut.*

A VISITOR TO BAGHDAD TODAY who can compare conditions with those of three years ago is astounded at the many changes. In addition to the bridges, new arterial roads traversing the city, hospitals, schools, improved public transport, street lighting, and other publicly-financed improvements, commercial and private interests are financing a vast building program. At least six banks are building new head offices and —a completely new departure—several branch banks have been opened in the newer business sections. Hotels, cinemas, and vast areas of new housing are taking shape. In the industrial field, two new cement plants have started operation and a sugar refinery with a capacity of 70,000 tons a year is to be completed in Baghdad next year. A privately-owned detergent factory with a capacity of 4,000 tons will go into operation this year.

The impetus for development comes largely from the Development Board, which also finances most of the major projects. The Board, and the Government of Iraq, seem to share Lord Salter's view that "the nation's economy exists for man, not man for the economy". Lord Salter based his "Plan of Action", set out in his recently published economic report on Iraq, on this precept and many of his recommendations for the country's development during the next five years have already been adopted.

It is true that there was a slight lull in business activity following the poor harvest of 1955, but steadily rising oil revenues, coupled with an excellent grain crop this year, have meant the return of boom conditions. Following on the crop failure of 1955, decreased purchasing power (particularly in the north) resulted in large inventories of a wide variety of consumer goods and agricultural machinery being carried over until 1956. But on the basis of encouraging crop forecasts this year, goods began to move in March and by June the situation had been restored to normal.

Oil Production and Its Benefits

Oil production for the first five months of 1956 totalled 13·8 million tons. At the present rate, the revenue for the first six months will reach ID37·8 million, compared with ID35·8 million for the first six months of 1955.

Iraq's far-sighted policy of setting aside 70 per cent of its oil revenues for the country's development has begun to pay off. In the first week of April, named "Development Week", no less than five important projects were brought into operation. Most important were the $45 million Wadi Tharthar flood control project on the Tigris River at Samarra and the Habbaniyah flood control and irrigation system on the Euphrates. Although more projects remain to be completed before the Tigris and Euphrates will be entirely controlled, the Tigris will no longer threaten Baghdad with its floods. Other projects inaugurated during "Development Week" included bridges crossing the Euphrates at Kufa and Twairiji and a new section of road between Hilla and Najef in the south.

Work progresses slowly on the Dokan Dam on the Lesser Zab, a $20 million job awarded to French con-

New bridges, like this one spanning the Tigris at Baghdad, highways, dams, and other capital projects pace Iraq's development.

tractors. Unfortunately this project, in difficult terrain, is about a year behind schedule.

Among other projects completed or scheduled for completion in the near future are:

- A bitumen refinery at Mosul with a capacity of 60,000 tons per annum.

- A 25,000-spindle, 630-loom cotton textile mill at Mosul.

- Two Development Board cement plants, one at Sarchinar and another at Mosul.

- The Greater Massaiyat irrigation and land settlement project.

- Construction of the Royal Palace and the new Parliament buildings.

- Various major highway bridges, including two on the Tigris at Baghdad, one at Samawa and one at Amara, and a railway bridge at Baquba.

- As a side issue of Iraq's participation in the Baghdad Pact, an atomic training centre is being set up in Baghdad which will train specialists from Middle East member countries.

- The Iraq television station went into operation in April. The Iraq Government thereby claims to be the first in the Arab world to provide regular television broadcasts.

Following the submission in April 1955 of Lord Salter's report on Iraq's development program there has been a noticeable shift of emphasis in the apportionment of development funds. In the first place, the responsible body for development was reinstated as a Board after having been a separate Ministry since 1953. It is generally believed that this move will mean greater stability and continuity of policies and personnel. The program was increased in value from ID304,306,000 for the five years 1955-1959 to ID490 million for the six years 1955-1960, with greater emphasis on housing, public buildings and industries. The need is felt for projects which will have quicker results and obvious benefits for the working man. Particular attention is being paid to low-cost housing and a world-renowned Greek housing expert in the past few months has been conducting exhaustive investigations and research to determine the most suitable types of housing for the different parts of the country.

Among the more important Development Board projects which have recently been contracted for or are out for tender are:

1. Sugar factory at Mosul. Contract for ID2 million awarded to a German firm.

2. Nasiriyah Road bridge. Contact for ID639 thousand awarded to a British firm.

3. Samarra-Baiji road. Contract for ID2·8 million awarded to a German firm.

4. Qurna bridge. Contract for ID420 thousand awarded to a British firm.

5. Grain elevators at Mosul, Hilla and Erbil. Contracts for ID1,782,000 shared by Swedish and Swiss firms; a German firm is to supply electrical material.

6. Thermal electric power stations, 40,000 kw. at Baghdad, 60,000 kw. at Dibis, for which English consultants have been engaged, and a 20,000 kw. station at Basra for which a Belgian consulting firm has been retained.

7. A 65,000-ton grain elevator at Basra, valued at about ID4·5 million. U.S. consultants—contract not yet awarded.

These are some of the projects expected to be advertised for shortly:

- Medical centre in Baghdad, valued at ID3·5 million.
- Fourteen bridges of a total value of about ID9·7 million.
- Baghdad sewage scheme—about ID2½ million.
- Various road contracts totalling ID6 million.
- Housing contracts. Immediate construction of over 1,000 houses as a start of the ID24 million program over a six-year period, involving about 11,000 houses.
- Construction of a standard-gauge railroad from Baghdad to Basra to replace the present metre-gauge track. The contracts will be let in stages over three years, under the five-year improvement program, calling for an expenditure of ID15·5 million.

The Daura petroleum refinery which began operating in late 1955 is now undergoing alteration to increase capacity from the present 24,500 barrels a day to 30,000 barrels later this year and to 40,000 barrels by 1960.

Agriculture Prospering

Though it is too early to have final figures on the grain harvest, reliable estimates of the barley crop, the most important export next to oil, give this year's harvest at 1,061,000 tons, compared with 756 thousand tons in 1955. At least 500 thousand tons will be available for export. The wheat crop, estimated at 838 thousand tons, will mean an export surplus and a substantial saving in foreign exchange as compared with last year, when the 474 thousand-ton crop had to be augmented by about 85,000 tons of imported wheat. The Grain Board is continuing its efforts to improve the standard and cleanliness of grain for export.

Dates, for which Iraq has long been famous, continue to be a problem, particularly the poorer qualities. Exports of high-quality dates to the United Kingdom, the United States, Canada and Australia during the season November-January were satisfactory. But, although the Central Area Date Trading Company exported 130 thousand tons of the lower quality Zahdi dates, 60,000 tons still remain to be disposed of. In fact, it is evident that too many dates of lower quality are being produced and steps are being taken in the Basra and Central areas to cut production and substitute more profitable crops. At the same time, efforts are being made to use low-quality dates as animal fodder and to produce a marketable date sugar. Parallel with these efforts the Date Association has embarked on a publicity program to encourage the sale of higher-quality dates in Europe, North America and several countries in Asia.

Dollar Allocations Down Slightly

The total dollar exchange allocation for 1956 at $53,074,000 represented a slight decrease from the 1955 figure of $55,930,000. But it is still more than adequate when one realizes that the actual use of dollar exchange against the 1955 allocation amounted to only $45,956,400. The principal reduction from 1955 was in the allocation for passenger cars, mainly because the 1955 allocation was not fully utilized.

Dollar exchange is available for a wide variety of goods under the following commodity group headings. (A detailed list is available on application to the Department of Trade and Commerce.) The items shown in parentheses are those with the largest allocations of dollars within the respective commodity groups:

	ID × 1,000
Cloth, clothing and dyes (secondhand clothing, cotton piece goods)	1,255
Building and construction materials (metal sheets, pipes, taps, boilers)	285
Automobiles, accessories, tools (trucks, cars, spares, tires)	7,540
Machinery and accessories (excavating, construction and agricultural machinery)	3,535
Medical and sanitary materials and instruments (pharmaceuticals)	646
Electrical and technical materials (refrigerators, air conditioners, household appliances, films for cinemas)	1,498
Household articles (oil cooking stoves, heating stoves)	212
Glassware and crockery	50
Stationery, books and periodicals (calculating machines, typewriters, books, fountain pens)	105
Factory and industry requirements	505
Government and semi-government orders	3,000
Miscellaneous (including arms and ammunition, seeds, boot polish)	324

Foreign Trade And Canada's Share

Statistics of Iraq's foreign trade are slow in appearing; the most recent detailed figures are for 1954. But to judge from preliminary figures for January-September 1955, the traditional pattern continues. Of total

nports valued at ID67·3 million, the United Kingdom applied ID19·1 million (28·5 per cent), the United ates 11·1 million (16·5 per cent), Japan 6·1 million 9·1 per cent), Germany 5·3 million (7·9 per cent).

elatively and in absolute terms, Canada's share in raq's import trade is minute. For the year 1955, anada's exports, at $1,170,178, showed an encouraging upswing over 1954 ($424,773) but as the total ollar utilization of $46 million mentioned previously hows, Canada's share is a meagre proportion of the otal dollar imports. In fairness it must be observed hat, of imports from the U.S. amounting to $11·1 million in the period January-September 1955, over half is accounted for by automobiles, trucks and parts, and machinery, mainly for heavy construction and road-building. Most items in these categories are either not made in Canada or are not permitted to be exported.

Iraq is a challenging market and deserves more attention from Canadian exporters than it has received in the past. The country is backed by an assured and growing oil income and a sound fiscal and investment policy. In fact, it is experiencing only the beginning of economic progress which, given a climate of peace, will mean a vastly increased market for a wide range of capital and consumer goods.

Canadian Furs for Latin America

In warm and even tropical climates there is a market for quality fur pieces. Some Latin American countries with fur dressing and dyeing industries are potential customers for Canadian raw furs. The prospects in four countries are discussed in this article.

GEORGE HAZEN, *Agriculture and Fisheries Branch.*

MANY EXPORTERS have turned, in recent years, to Latin American countries in search of new markets for Canadian goods. Despite a chronic shortage of dollars and foreign exchange and import restrictions in some of these countries that make trade difficult, there are sales possibilities for many of our products. One of these products is raw furs.

Many people with money to spend who live in warm and even tropical climates look upon a fur jacket or stole as essential to gracious living and there is a definite demand for high-quality fur pieces. Most purchases of this nature today are made by those who can afford to travel abroad; they buy fur goods in Europe and North America—principally in the United States. In Latin American countries with dressing and dyeing industries, however, effective promotion could pave the way for sales of Canadian raw furs. Some of these countries, of course, are not potential markets because of high temperatures, prohibitive import and currency restrictions, or the lack of a domestic fur industry. Among these are the Central American states, Ecuador, Chile, Paraguay, Brazil, Bolivia and Venezuela.

There appears to be a potential market for furs in other countries of South America that merits closer attention from Canadian exporters. We have summarized available information about four of these markets from reports by Canadian Trade Commissioners in the area and have summarized data on trade and tariff regulations supplied by the International Trade Relations Branch.

COLOMBIA

This is not an important market but there is a local garment-making industry that might respond favourably to offers from Canadian exporters of raw furs. In 1954, the industry imported slightly more than 400 thousand pounds of fur skins with a c.i.f. value of about $70,000. Most of these came from the United States.

Import restrictions are severe but not entirely prohibitive: the duty on raw fur skins is 10 pesos per kilogram gross weight ($1.82 per lb.) plus 25 per cent ad

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valorem on the c.i.f. value. In addition, imports of raw furs must be paid for with exchange at the free rate of 4.75 pesos per $1.00, and are subject to a stamp tax of 100 per cent ad valorem in addition to duty. The importer is required to make a deposit in advance of 100 per cent ad valorem which is returned after the furs enter the country. Imports of fur skins made up in any way are prohibited.

Because local production of raw furs is negligilble, Colombia must rely on imports to satisfy her needs.

PERU

Like Colombia, Peru has little or no local production of furs and purchases her requirements abroad. A fairly well-organized manufacturing industry makes this country one of the most attractive potential markets in South America although only the well-to-do can afford to buy finished fur garments. Even for these people, high duties have made instalment buying the rule.

The customs tariff on furs such as beaver, red fox and lynx is at the specific rate of 450 soles per kilogram legal weight ($10.62 per lb.); for marten, otter, mink, and blue silver fox it is 800 soles per kilogram legal weight ($18.91 per lb). In addition, an internal tax of 13·667 per cent and 2 per cent Navy Fund Tax is levied on the c.i.f. value, plus a Maritime Freight Tax of 2 per cent on the ocean freight charges. Duty on dressed fur skins and made-up garments is proportionately higher. There are no exchange or import controls on fur skins or products.

About 1,000 pounds of raw furs were imported in 1954, mainly from the United States, with Canada, France and the United Kingdom supplying smaller quantities.

URUGUAY

Local production is quite important in Uruguay's domestic fur industry, but no furs are exported. About 10,000 nutria skins are produced annually, both wild and on ranches, but wide variations in colour make matching difficult and reduce their value. Several processors in Montevideo dress and dye skins purchased in cured condition. Imports come usually from the USSR, the United States, Belgium, France and Czechoslovakia and consist mainly of rabbit, astrakhan sheep and lamb; they totalled less than 23,000 pounds in 1955. The exchange situation in Uruguay is somewhat difficult at present and purchases of foreign furs are restricted to a rather small amount.

The rate of duty on raw fur skins is 78 per cent ad valorem, assessed on an official valuation varying from 13.65 pesos per kilogram net weight ($4.07 per lb.) for beaver, otter, and lynx, to 31.85 pesos per kilogram net weight ($9.41 per lb.) for silver fox and mink, and 40.15 pesos per kilogram net weight ($11.86 per lb.) for chinchilla and sable-marten. Prospective importers must first obtain the necessary import permits.

ARGENTINA

Reliable information—or information of any kind—is difficult to obtain about the fur industry in Argentina. There is a fur-manufacturing industry in the country and apparently all furs used are obtained locally; imports of fur skins have been banned since 1946. The customs tariff quotes the duty on raw furs at 35 per cent ad valorem, based on the c.i.f. value.

Tanned skins produced locally in 1954 totalled some 398 thousand nutria, 532 thousand rabbits and hares, 213 thousand foxes, 196 thousand skunks, and about 54,000 cheap skins from a rodent similar to the squirrel. Exports in 1955 totalled nearly 56,000 pounds, valued at about $51,000.

Until present currency difficulties are overcome and import restrictions relaxed, there appears to be little opportunity for Canadian exporters in Argentina, despite the presence of an organized fur-processing industry in that market.

Atomic Power for Northern Ireland

An atomic power station costing £66 million and scheduled to be in full operation by 1963-64 is already in the planning stage in Northern Ireland. A Government White Paper dealing with electric power supply points out that the original hope of having the station producing by 1960 had to be revised because of uncertainty about the final design of the station and the economics of building and operating it. However, the Electricity Board for Northern Ireland, which will operate the station, is already making preliminary arrangements for its construction and is following closely atomic research in Great Britain.

The White Paper makes clear that, if the atomic station can be brought into initial operation in 1962-63 and output increased to 200 MW in 1964, and if it is subsequently expanded by 100 MW in both 1966 and 1967, the cost would be £66 million. One-half of this would be spent over 1958-62 and the other half between 1962 and 1967. If this schedule proves impossible and operation does not begin until 1964-65, the new electric power station at Londonderry will have to be expanded by 60 MW at a cost of some £4 million.

What the U.S. Sells to Argentina

This analysis of exports from the United States to Argentina may suggest sales possibilities to Canadian manufacturers of similar products. It also serves to show that, despite dollar shortage, opportunities still exist in this area.

C. S. BISSETT, *Commercial Counsellor, Buenos Aires.*

THE GOODS that can be sold today in Argentina for dollars are best exemplified by those that the principal dollar exporting country, the United States, is actually selling there. The table that follows shows these for 1954-55 by main commodity groups. The figures are those published by the Department of Commerce, Washington.

Group	*1955*	*1954*
	(in U.S. dollars)	
1. Animals and animal products, edible	515,563	561,209
2. Animal products, inedible	270,258	106,704
3. Vegetable products, edible	8,666,724	3,784,064
4. Vegetable products, inedible	1,913,238	1,048,399
5. Textile fibres and manufactures	123,014	232,697
6. Wood and paper	8,577,007	7,175,877
7. Non-metallic minerals	13,981,779	5,802,630
8. Metals and metal manufactures	35,036,952	20,218,990
9. Machinery and vehicles	57,332,370	55,932,617
10. Chemicals and related products	19,551,771	24,955,009
11. Miscellaneous	1,688,125	2,254,167
Total	$147,656,801	$122,072,363

Edible Animals and Animal Products

Cattle for breeding was the main item in the first group. Hogs, live poultry, baby chicks and a miscellaneous collection of edible products made up the remainder.

Inedible Animal Products

Group 2 was mainly breeding animals of types not used as food and a number of inedible animal products of small individual value.

Edible Vegetable Products

Almost the whole of the edible vegetable products group consisted of vegetable oils, fats and waxes. These were valued at $8,469,889. Cottonseed oil, a product which Argentina used to export in quantity but which last year was in very short supply, was the major commodity.

Inedible Vegetable Products

About two-thirds of the fourth group was synthetic rubber of various types totalling $1,288,062. Naval stores, gums and resins, at $323,886, was next in importance. The other components of this group were seeds (excluding oil seeds) $235,044; oilseeds $22,763; crude drugs, leaves, herbs and roots, $15,069; tobacco and its manufactures $14,698; crude inedible vegetable oils, fats and waxes $12,861, and nursery and greenhouse stock $855.

Textile Fibres and Manufactures

The textile fibres and manufactures group does not provide much opportunity for dollar sales because of Argentina's well-established textile industry. Much the greater part of this group is made up of synthetic fibres and their manufactures, valued at $107,405, and consisting almost entirely of women's nylon hosiery and underwear. This is a declining trade because of growing local manufacture. The rest of the group was composed of special cotton manufactures and semi-manufactures $6,347; other vegetable fibre manufactures $2,635, and miscellaneous textile products $6,627.

Wood and Paper

Of the wood and paper groups, only the pulp and paper section offers opportunities under present conditions. The main imports were walnut logs for making furniture veneers and gun stocks and hardwood blanks for shuttlecocks for weaving machines. The pulp and paper section of this group offers distinct sales opportunities to any Canadian exporter with available supplies. Wood pulp of different types for making the various classes of paper totalled $3,992,557 and the paper and paper products section $4,425,186. Almost the whole of the latter figure was newsprint, which is in very short supply in Argentina. Rounding out this paper section were relatively unimportant quantities of special industrial paper, blotting paper, paper office supplies (excluding stationery), and certain special types of boxes and cartons not made locally.

Non-Metallic Minerals

Much the greater part of the non-metallic minerals group was composed of fuels, petroleum and its products (excluding certain special types) valued at

$11,227,019, and coal and related fuels like coke at $1,002,588. Glass and glass products reached a value of $384,545 and clays and their products $379,558. The remainder consisted of miscellaneous non-metallic minerals, including precious minerals, which were valued at $985,804. Judging from the 1954 import figures this latter group must have been composed largely of crude and refined sulphur; carbon or graphite electrodes, brushes and other carbon products; natural abrasives and manufactured ones in the form of grinding wheels, pulpstones, whetstones and abrasive paper and cloth, and finally natural mineral wax.

Metals and Metal Manufactures

The metals and metal manufactures group accounted for almost one-fourth of the total imports from the United States. Finished steel rolling mill products valued at $21,069,415 contributed 60 per cent of this total. Other steel mill products contributed a further value of $4,403,965. Iron and steel scrap imported was valued at $4,617,663 and miscellaneous metal manufactures at $694,341. Other iron and steel items of lesser importance were castings and forgings $53,638; iron bars, skelp and pipe $31,526; railway car wheels and axles $29,864; ferro-alloys $8,659, and pig iron $4,328.

In the non-ferrous section, copper ores, concentrates and semi-fabricated forms valued at $2,507,264 constituted the most important item. The only other copper item of note was copper alloys and semi-fabricated forms valued at $136,084. This was followed by zinc ores, concentrates and semi-fabricated forms totalling $1,311,331. In this same group the nickel items reached a value of $86,931, the miscellaneous non-ferrous $61,512, the aluminum $15,983 and the lead $2,295. Completing this group was precious metals and plated ware which totalled $2,153.

Machinery and Vehicles

The most important single import group was machinery and vehicles which reached a total value for the year of $57,332,370—about 39 per cent of the total 1955 imports. Automobiles, parts and accessories valued at $14,666,188 was the outstanding single item but it will not be so important in 1956 since import permits are being issued only for heavy trucks. Following this was construction excavating and mining machinery $7,959,877; industrial machinery $7,775,514; metal-working machinery and parts, excluding machine tools, $7,234,538; electrical machinery and apparatus $5,289,785; engines, turbines and parts $4,523,175; tractors and parts $2,044,792; machine tools $2,037,162; textile, sewing and shoe machinery $1,764,355; office machines and parts $1,014,621; agricultural machinery and parts $954,402; railway equipment $715,554; printing and bookbinding machinery $510,927; aircraft and parts $422,426; water craft and parts $408,713 and miscellaneous vehicles and parts $10,341.

Chemicals and Related Products

In the chemicals group, medicinal and pharmaceutical preparations reached a value of $8,474,033. However, it should be noted that only basic materials and the more intricate complex and uncommon preparations, not yet manufactured by Argentina's well established pharmaceutical products industry, can be imported. The exceptions are branded products essential to national health which have been solidly established for many years in Argentine medical practice. Examples of the products imported are gamma globulin and the rarer vaccines and sera, the lesser known antibiotics, the sulfa drugs, the opotherapics, hormones, enzymes, biologicals and vitamins—in bulk form chiefly, although some come in in dosage form. Following these, the more important items are non-proprietary tablets, pills, ointments and elixirs; parenteral solutions; organic medical chemicals; alkaloids; analgesics; the barbiturate compounds, and castor oil. Some proprietary medicines are imported but only those which have been on the market for many years and are established in Argentine medical practice. These are mainly tonics, blood purifiers, emulsions, appetizers, antiacids and digestive preparations. No similar new lines would have any worthwhile prospect of gaining a footing in this market under present exchange control regulations.

Coal tar products accounted for $1,322,289. These were mainly rubber compounding accelerators, anti-oxidants and other agents; carbolic acid; coal tar intermediates; diphenylamine and finished coal tar products, excluding medicinals.

The chemical specialties sub-group totalled $4,085,130. Apart from a grouping of miscellaneous chemical specialty compounds, the most important single item was gasoline anti-knock compounds, followed by lubricating and fuel oil additives. Next in value was weed killers accompanied by substantial values in prime materials for insecticides. Synthetic resins for the plastics industry were also prominent, the chief ones being the styrene polymer and copolymer resins, the vinyl and vinyl copolymer types, and the tar acid and alkyd resins. Following a miscellaneous grouping of other types of synthetic resins came resin film and sheeting, cellulose acetate moulding and extrusion compositions, unfinished plastics, and various laminated and moulded-laminated plastics. Among the cleaning compounds were detergent alkylates and detergents, specialty cleaning and washing compounds, and leather dressings and stains. Single items of note were organic

surface active agents; water softeners; metalworking compounds; animal charcoal and carbon; liquid gum inhibitors for treating petroleum distillates; paradichlorbenzene; synthetic aromatic chemicals; small amounts of textile specialty compounds; flavours and flavouring extracts; vulcanized fibre sheets and disinfectants.

The industrial chemicals sub-group was valued at $3,060,665. The more prominent items in it were solid sodium hydroxide; soda ash; sodium bicarbonate; non coal-tar industrial chemicals; alcohols; industrial organic acids and anhydrides, and organic fluoride compounds. Of lesser importance were industrial acetic anhydride; the bromine compounds, boric acid, sodium phosphate compressed gases, and a group of miscellaneous industrial chemicals not mentioned individually.

The pigments, paints and varnishes sub-group totalled $2,583,134. With the exception of certain quantities of anti-corrosive and anti-fouling paints and insulating varnishes, almost all of the imports are prime materials for the local paint and rubber industries. Outstanding items were carbon black and lampblack, titanium dioxide, and pigments and dry colours.

To complete this main group, fertilizers and fertilizer materials contributed a value of $22,667 and soil improvement materials $3,853.

Miscellaneous Products

In the miscellaneous products group, photo and projection goods accounted for just about half of the total value at $723,825. The outstanding item was 35 mm. motion picture feature films for exhibition. This was accompanied by a small amount of 16 mm. film for the same purpose. Next in value came sensitized unexposed X-ray film and unexposed 35 mm. motion picture film of both positive and negative types, accompanied by a small amount of still camera film, both in packages and in bulk, for local cutting and packaging. Motion picture cameras, screens and studio equipment together with photo paper and photocopying equipment completed this sub-group.

Scientific and professional equipment accounted for $452,321 of which the important items were hearing devices, research laboratory apparatus, surgical and medical apparatus and instruments, dental supplies and dental and laboratory equipment and parts. Of minor interest were optical measuring instruments, spectrophotometers and sterilizers.

Almost the whole of the musical instruments sub-group valued at $145,416 was composed of phonograph parts for the local assembly of phonographs. The remaining sub-groups were books, maps, pictures and prints valued at $52,915; miscellaneous office supplies $10,890; toys, athletic and sports goods $1,901 and a miscellany of commodities valued at $300,857. •

Canada 1956 Useful Agent Abroad

BUSINESSMEN seeking markets and good relations abroad are finding the official handbook *CANADA 1956* a convenient aid.

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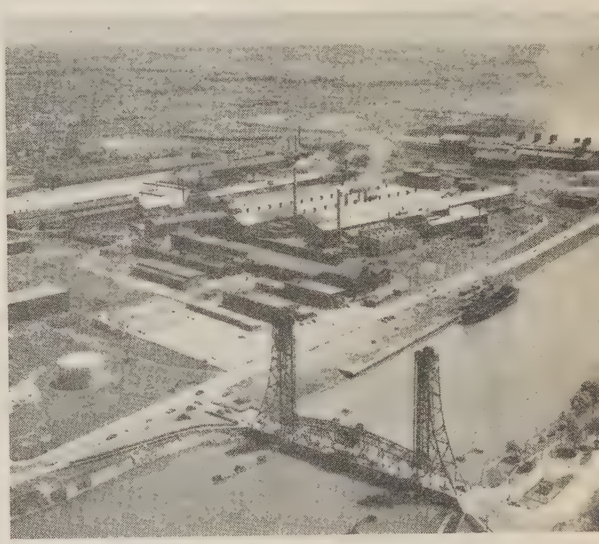

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commodity notes

Argentina

TEXTILES—A big Japanese textile combine will turn out fabrics soon in this country; it is capitalized at about 200 million pesos. The combine has already acquired one big plant which was sold by public tender for 111 million pesos. This plant is to employ some 2,000 men and women. Modern methods introduced by 26 Japanese technicians already on their way to Argentina will assure economical operations—Buenos Aires, Aug. 9.

Australia

PETROLEUM PRODUCTS—Australian oil refineries last year established a new export trade in petroleum products. Some 325 thousand tons were exported during the year, including 24 million gallons of motor petrol and 180 thousand tons of fuel oil. Three new refineries have had a marked influence on the industry: local refineries provided 66 per cent of Australian needs, compared with 31 per cent in 1954. Australia imported about 8 million tons of petroleum products in 1955—Sydney, Aug. 3.

Federation of Rhodesia and Nyasaland

BEESWAX—Last year African beekeepers in Mwinilunga, Northern Rhodesia, shipped about 20 tons of beeswax to Great Britain and officials in the Department of Agriculture think the industry has great promise provided they can teach the African to pack the wax in a cleaner condition and improve hive management—Salisbury, Aug. 6.

CATERPILLARS—An unusual industry which the Africans of this district have developed is the shipment of caterpillars to the Copperbelt district of Northern Rhodesia for sale as delicacies to epicurean Africans—Salisbury, Aug. 6.

France

PERFUME—The French perfume industry may have to raise its prices because of the heavy flower losses suffered during the extremely cold weather this past winter. Lower alcohol prices have given some relief, but the loss of 80 to 90 per cent of the orange blossom crop (which amounted to 578 tons last year) and part of the jasmin and rose crops has forced the industry to import higher-priced base materials from North Africa, Spain, and Italy—Paris, Aug. 13.

ALUMINUM—French interests began the construction of an aluminum producing plant this spring in the Cameroons in Africa. Basic construction work is scheduled for completion next December and full aluminum production should be under way by the second quarter of 1958. Total investment, including $20 million for extension of existing power facilities, will amount to approximately $65 million and the plant will have a rated capacity of 45,000 tons of aluminum annually—Paris, Aug. 13.

Japan

JET AIRCRAFT—The Japanese Defence Agency has decided to order three light jet trainers from the Fuji Heavy Industry Company. These first jet aircraft to be built in Japan will be constructed during the period August 1956-October 1957 and are intended for structural strength and flight test purposes. Only the frames will be made in Japan; the aircraft will be powered by Orpheus engines, supplied by Bristol Aero-Engines Ltd., England. Subsequently, these light jet trainers are scheduled to be equipped with J-3 engines made by the Japan Jet Engines Company, which is now operating on a test-production level. Japanese pilots are expected to be using completely home-built jet trainers for flight training about mid-1959—Tokyo, Aug. 8.

Kenya

PINEAPPLES—Pineapple growing, started in Kenya only a few years ago, has expanded steadily and there are now 5,000 acres under crop. Most of the production is taken by Kenya Canners Limited of Thika who have a large modern factory employing more than 300 Africans. The pineapples have a good texture and flavour and an export trade to the United Kingdom is now being developed—Salisbury, Aug. 3.

Netherlands

BEER—The Netherlands has maintained her position as the largest beer exporting country despite stiffening German competition. Exports are expected to rise by 13·7 per cent from 309 thousand hectolitres during the first six months of 1955 to 352 thousand hectolitres during the first half of this year; the country hopes to establish a new record for beer exports in 1956. Exports to the United States amounted to 26,500 hectolitres during the first half of 1956 compared with 21,500 hectolitres in the corresponding period of 1955. Italy, which imported 3,600 hectolitres of Dutch beer during the whole of 1955, bought 2,700 hectolitres during the first half of this year. Exports to Belgium amounted to 6,200 hectolitres and the amount of beer consumed at home continued to rise during the first half of this year. Domestic sales rose by 12·6 per cent from 745 thousand hectolitres in the first half of 1955 to 839 thousand hectolitres during the first half of 1956—The Hague, Aug. 14.

Sweden

WOOD PRODUCTS—It is estimated that exports of Swedish sawn and planed wood goods will fall during 1956. Great Britain, which purchased more than half of Sweden's total exports of these products, increased her stocks considerably in 1955. This year 150 thousand standards have been released for sale from the British strategic reserve stocks. Because of these circumstances, and increased competition from the Soviet Union, Swedish exports of sawn and planed wood products (exclusive of beams, spars, sleepers and box boards) will probably fall from 1,019,000 standards in 1955 to 850 thousand in 1956. This, however, is only a small decline as compared with 1954. Prices are expected to remain at approximately the same level as in 1955. On the other hand, a continued increase is expected in the export of pulp and paper. Exports of mechanical pulp in 1956 are estimated at 410 thousand tons, compared with 385 thousand in 1955, and of chemical pulp at 2·07 million tons, compared with 1·92 million last year. Exports of newsprint will probably increase from 197 thousand to at least 220 thousand tons, and other paper and cardboard from 629 thousand tons to 650 thousand. Prices for pulp and paper are approximately 4 per cent higher than last year—Stockholm, Aug. 10.

Thailand

RADIOACTIVE MATERIALS—The presence of radioactive materials in tin and tungsten mines in Thailand has been reported by the Royal Department of Mines, Bangkok, after an investigation into the geological and other mining problems. The first report of the investigation reveals that uranium, cerium, thorium, monazite, ilmenite and columbium-tantalum are some of the minerals found in tin and tungsten. At present some of these valuable by-products are wasted in the tailings. The presence of uranium was discovered in 1953 in the tailings of Kamuntin Dredging Company in Phanguga. The recent investigation shows some radioactivity in the tailings of tin mines along the west coast—Singapore, Aug. 2.

United Kingdom

RADIO, TV, ELECTRONICS—New export records for British radio, television and electronic equipment were established in June and in the first half of this year. The Radio Industry Council has announced that June sales, totalling £3·57 million, were £170 thousand higher than those for May which were a previous record. For the first six months of the year, exports totalled £19·17 million compared with £15·6 million for the same period last year; for the whole of 1955 the record figure was nearly £33 million compared with sales of £10·2 million in 1947. Exports of sound reproducing equipment at £540 thousand in the month of June this year were worth more than in the whole of 1948 when £536 thousand worth were sold; sales at £3·67 million for the first six months of this year were almost as high as for the whole of 1954 when the total was £3·76 million—London, Aug. 8.

Uruguay

WOOL—The wool trading season is now practically at an end for the 1955 crop. Shipments from October 1, 1955, up to May 31, 1956, totalled 185,552 bales, approximately 74,000 metric tons at 400 kilos per bale. Shipments for the same period of the previous year reached 82,131 bales (33,000 metric tons). There will be practically no, or very little, carry-over into the coming season because business has been fairly active with a steady demand for all types.

Prospects for the season which begins October 1 are very encouraging, so much so that recent reports state that negotiations have been concluded for "wool on the back" basis for some 3,000 tons at prices which range up to 25 pesos per 10 kilos. Maximum prices paid for the 1955 crop ranged between 21·5 to 22 pesos for superior types.

The Netherlands was the largest buyer of 1955 wool crop with 57,000 bales, the United States followed with 35,000 bales, and the United Kingdom was third with 21,000 bales. Canada took only 222 bales—Montevideo, Aug. 7.

Selling Abroad: the Techniques

In what way can the gaps between Canadian exporter and foreign customer best be bridged? What are the advantages—and the disadvantages—of indirect and direct selling abroad? These and other questions which the new exporter asks are discussed in this article, thirteenth in our series on the techniques of export trade.

O. MARY HILL, *Editor, "Foreign Trade".*

THE CANADIAN FIRM which has investigated foreign markets for its products and has resolved to enter the export field at once faces a pressing problem. What is the best method of making export sales? At home the sales department can select, train and supervise the sales force; in a foreign setting, distance, language, different customs, and many other factors complicate the situation.

The novice who asks the veteran exporter: "How shall I go about selling my products abroad?" usually receives the answer: "That depends." It depends on what product he wants to market and whether it calls for a technical man to sell and service it. It depends on whether the manufacturer wants to sell abroad consistently or only occasionally. It depends upon which market or markets he has in mind. It depends upon how much time and effort he is prepared to put into export business.

Generally speaking, two methods of export lie open to him—the indirect and the direct (or possibly a combination of the two). Indirect exporting may be done in several ways, but the following are the most usual:

- *Export Merchant or Export House*—The firm sells its goods directly to the export merchant, who pays for them in cash and re-sells them to foreign customers. The merchant usually has his own agent abroad, or may even have branch companies in various countries. Many export merchants specialize in certain areas and some in certain products, such as dairy products, paper, chemicals, or flour. The export merchant always operates as a principal and not as an agent for either buyer or seller. This type of organization is perhaps more common in the United Kingdom and in Europe than it is in Canada.

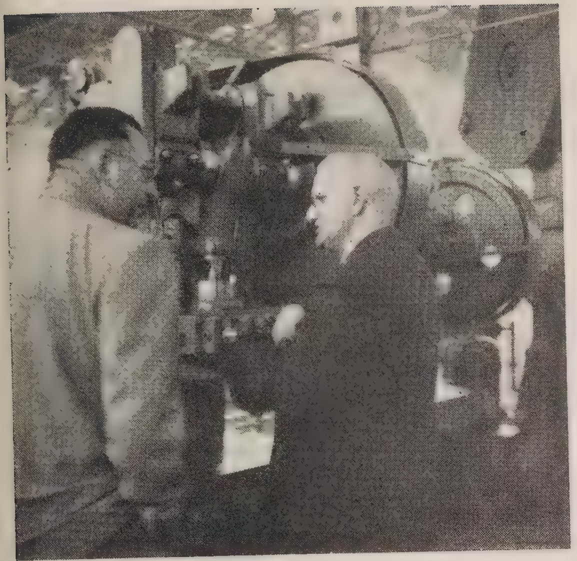
- *Export Agent*—The export agent, generally speaking, serves the manufacturer as an export department. That is, he secures orders for his client's product abroad, attends to the shipping, documentation, and so on. For this, he charges the producer a commission on sales. He usually represents his client on an exclusive basis in certain territories.

- *Buying Agent*—The buying agent commonly acts on behalf of an overseas customer. Like the export agent, he looks after all the details of forwarding the goods and adds his commission to the price which he charges the foreign customer. In some cases he pays the producer on behalf of the overseas customer; otherwise, he receives a commission from the customer on payments made directly to the producer.

Advantages of Indirect Method

Many firms find that one of these three methods of exporting best meets their needs. The indirect technique takes most of the risk out of export and makes it unnecessary to set up an export department. The agency looks after the intricate detail of documentation and shipping; export and buying agents may even assume the credit risk. Marketing abroad, in fact, becomes almost as straightforward as marketing at home.

Indirect exporting has proved to be a good way for a company to "feel out" export markets before committing itself fully. A product can be introduced to foreign buyers, demand initiated, and sales volume built up. Meantime the exporter, untroubled by sales problems, can concentrate on production and on



When the exporter uses a local agent, it is usually a good practice to have an expert from head office visit customers with the agent to discuss technical difficulties or complaints.

prompt attention to export orders. Many exporters testify that it is a good way to sell specialties and also to reach certain markets. One firm, for example, sells to the British West Indies through an export merchant who has a quota under the British West Indies Trade Liberalization Plan.

There Are Disadvantages

The indirect method of exporting undoubtedly has its advantages; some experienced producers continue to make use of export representatives to cover certain areas. But there are disadvantages too. The exporter cannot control his foreign sales made through these channels in the same way that he controls domestic sales, nor can he drive as hard for sales volume. The buying agent, for example, primarily tries to please the foreign customer, not the Canadian manufacturer. And in any type of indirect export the exporter largely ceases to have control over markets or over export policy. One expert puts it this way: "The greatest weakness of indirect export, the one in fact which includes all the others, is the one inherent in being separated from customers and markets".

Direct Export

If the exporter decides that he prefers to set up his own export department and deal directly with foreign markets, he then selects one of several methods of making export sales:

1. *Direct sales by the producer in Canada to the seller abroad*—This is a common way of selling to large consumers such as department stores, clothing factories, and users of bulk foodstuffs.

2. *Selling through resident agents abroad*—This method is the one which the majority of Canadian companies adopt. The exporter chooses agents in the areas in which he wishes to trade. Most agents ask for an exclusive contract in their territories.

3. *Setting up branch sales offices abroad*—Many firms move on to this stage after building up sales through the agency system. It involves sending out salesmen from head office to staff these offices.

4. *Setting up branch sales offices plus warehouses*—This further step is often essential when the company deals in products that require after-sales service.

5. *Sales to government or government agencies*—Trade of this type is sometimes restricted to agencies which the purchasing government nominates. Sometimes also these sales are made by tender.

6. *Establishing subsidiary companies or manufacturing plants*—This development may be necessary because of foreign tariffs, patents and trademark legislation, taxation, or other foreign government policies.

Canadian firms often use different exporting methods in different areas, or progress from one stage of direct export to another. One large Canadian exporter for example, often starts out in a new market by using resident agents. It then progresses to resident salesmen supervising sales in three or four countries. The third stage is the opening of a sales office, and the fourth the setting up of a subsidiary company.

Selling through Resident Agents

Because so many Canadian exporters sell abroad through exclusive agents, it is worth discussing at some length the selection, training and supervision of these "resident representatives". To begin with, there are two types of agents.

1. The agent who buys goods outright from the manufacturer, maintains his own warehouse, and resells to customers. This type of trading is particularly useful for products which have to be serviced as well as sold, and for which the agent must keep stocks and supplies of spare parts.

2. The agent who solicits orders for the manufacturer, forwards them for direct shipment, and receives a commission on sales.

The old recipe for hare soup begins: "First of all, catch a hare." In dealing with agents, the first step is to find the right one. If the exporter makes a wise choice, his subsequent problems are few; if the agent is unsuitable, problems multiply. One good method of approach is through the Trade Commissioner, who

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When You Are Choosing an Agent . . .

In choosing an overseas agent for your company, you may want to check on the following points before making your decision:

1. *How well does the agent stand in with the trade—and with the government authorities? The latter is especially important in some countries.*

2. *Is he already familiar with the field in which your company operates and does he have good contacts in it?*

3. *What non-competing Canadian lines does he handle?*

4. *Does he hold the agency for a competing product from any country?*

5. *Has he adequate accommodation and staff—and enough staff with commercial experience?*

6. *Is his main office situated in a good centre of business—keeping in mind the nature of your product. Has he adequate coverage of other important sales centres in the country?*

7. *Does he maintain adequate service facilities if yours is a product that needs servicing?*

8. *Are he and most of his staff nationals of the country in which the agency operates? (This is important in some areas.)*

9. *Can he advise your firm on packing, marking and other regulations, import controls, best methods of advertising, and so on?*

10. *Does he understand the local market thoroughly and the credit standing of prospective customers?*

11. *Is he willing to work on a trial basis for at least six months?*

can line up suitable candidates if the exporter is unable to do this himself. Whenever possible, the export manager or other top executive of the company should make the final choice on a personal visit, because the personality of the agent is most important. But it's not merely a matter of sizing the agent up in an interview: a number of points which should be investigated are listed in the box feature above.

One Canadian businessman who has been successful in the export field insists that a prospective agent should not be turned down just because his firm is small or new. In such cases, the exporter checks with the Trade Commissioner and other sources. If the firm is well known and well regarded, and has good contacts, it is probably a good risk. Sometimes a long-established agency has so many clients that it cannot devote much time to any one product.

Contracts and Commissions

Once the agent is selected, the next step is making an arrangement with him and agreeing on terms. Some Canadian firms insist upon a formal, written contract; others prefer an exchange of letters between the agent and the chief executive of the company; still others rely upon an informal agreement. The form of any written contract varies, of course, with the country. Certain companies prefer a contract that runs for a year, is renewed automatically, and may be cancelled on six months' notice by either party. Others like to make two-year contracts; some find five-year contracts practical. But most companies agree on the need for a trial period, although it seems to vary from six months to one year after the date of the first shipment. Some firms insist upon the agent contracting to do a stipulated volume of business.

The rate of commission on sales averages about 5 per cent, apart from advertising concessions; it may rise to 7 or 7½ per cent or higher in very competitive markets or if the agent guarantees the accounts. As one export manager puts it: "If the ante goes up, so does the commission". It is usual to pay the agent his commission (or perhaps a smaller one) even on orders which the company receives directly. On government orders the commission sometimes drops to 2½ per cent and on bulk goods such as wheat, coal, paper, and metals, it may also be lower. Most agents do not receive their commission until the goods are paid for. The usual practice is to pay the agent once a month or at least once a quarter.

When the agent buys outright from the manufacturer, the position is different and the only problem is payment terms. One pharmaceutical company which sells in this way ships to a new agent on letter of credit only. After a trial period, the terms may be cash against documents, or even several months' credit.

Training the Agent

Like salesmen in the home market, the agent needs to be educated in what a product can and cannot do, and in how to sell it. This is even more vital for him because he has to operate so far away from the manufacturer's plant. The export manager should begin the process when he is visiting the agent's territory.

Together they can sit down and discuss the selling points or the export manager can take the agent on a demonstration selling round. One of Canada's leading exporters brings its agents to head office for a period of training so that they can learn how the product is fabricated and how it can be used. This isn't feasible for most companies, but many encourage the agent to visit Canada at some point, see the manufacturing process for himself, and meet the credit and advertising people. Few firms pay the agent's travelling expenses but most look after his entertainment while he is in Canada.

Give Him Sales Aids

If he is to do a good sales job, the agent needs effective sales aids, such as samples, catalogues, technical literature, and inexpensive give-aways. Some companies assume that the mere sending of a catalogue and a few samples is enough. This is short-sighted. A Canadian with intensive experience in widely scattered foreign markets remarks: "When a firm sends out a salesman in Canada, he is not expected just to hand a catalogue to a would-be customer with the words: 'Read this—it will tell you everything you need to know.' The salesman has been trained to supplement the catalogue with a detailed account of all the virtues and uses of the product. This is just what is lacking in many agents. If the Canadian exporter would prepare a special sales screed outlining all the virtues of his product and its advantages over substitute lines in appearance, wear, etc., it would be of immeasurable assistance to agents thousands of miles away."

Many Canadian firms do see that their agents receive helpful sales aids. These vary, depending upon whether the agent is selling a consumer product or a complicated piece of machinery. Some firms supply the agent with a stereoscopic viewer, plus slides that show the product in use. Others give the agent stickers to use on his correspondence, counter cards for retail stores, or small advertising pieces to hand out, such as key chains or calendars. Technical brochures are a "must" for some products and normally are supplied in the language of the country. A small number of companies get their agents to send in lists of prospects, and then prepare and dispatch direct mail pieces in the proper language. (Export advertising and other forms of sales promotion abroad will be discussed more fully in a later article in this series.)

If the firm operates in a specialized field, the agent may need skilled help from time to time. One pharmaceutical company, for example, sends its medical director on periodic visits to its foreign markets. The chief purpose is to give the agents and their detail men a refresher course. An explosives manufacturer has a technical expert covering its markets regularly—not to sell its goods but to explain to customers how to use them properly. These experts also can investigate complaints and help to settle them.

One excellent way of maintaining good relations with the agent is to correspond with him regularly, and to see that he receives copies of any letters that touch on matters which concern him. Keep him always in the picture. If his orders cannot be filled at once, write and tell him why. If the company hears of a projected development (government or otherwise) that may mean orders, let him know about it. Some firms correspond with the agent in his own language; others do not, but nearly all have facilities to translate his replies.

Handling Agency Problems

Selling through agents does present certain problems. Among the more common, according to the experience of a dozen Canadian companies, are:

- *Complaints from the agent about competition.* This is sometimes an attempt to force the company to cut its prices or to raise his commission. Perhaps the agent has, to begin with, sacrificed part of his commission to lower prices and thus make more sales, and has found this doesn't work. The best approach is to have someone like the Trade Commissioner investigate the validity of his complaint.

- *Not enough time devoted to selling your product.* This often happens when the agency has too many lines to handle and cannot give enough time to each. Occasionally the agent only wants to add the name of your company to his list, without exerting too much effort to sell. An agent with fewer lines may do a better job.

- *Sales remain static.* A personal visit by the export manager is usually the best way to attack this problem. Careful study of statistics of imports into a country will show whether the firm's sales are increasing in proportion to the rise in imports. (One wide-awake agent in Ecuador examines ships' manifests and checks on competing goods coming into the country.) Perhaps the agent does not employ enough staff or spends more time in selling goods that pay a higher rate of commission.

- *The too-zealous agent.* In his anxiety to increase his sales, this agent may not be paying enough attention to the customer's credit standing and credit problems may be increasing. The usual solution is to make certain that the agent receives no commission until the customer pays for the goods. Or ask him to guarantee the accounts.

- *Problems beyond his scope.* Many of these problems, particularly in specialized products, may not be his fault. He needs prompt and skilled help, such as a man sent down from head office or the plant can give.

Experienced exporters say that problems with the agent are usually few if he gets what he wants most—a chance to do good business. It's wise, however, to make a habit of checking on his performance once a year. Is he doing a more or a less efficient job than he was last year? If the exporter cannot drop in on the agent regularly and judge for himself, he can seek the help of the Trade Commissioner. Many of the Trade Commissioners also report to Canadian firms any changes in the status of the agency, such as financial difficulties or the death of a partner.

Direct Representation Overseas

The company with a large stake in export often reaches the point where sales seem to justify setting up branch sales offices in certain territories. The establishment of overseas offices, staffed chiefly by salesmen sent out from Canada, naturally proves more costly than selling through agencies. It also involves, in most cases, looking after a man and his family—to say nothing of finding salesmen who will adapt to the new situation and who will get along well with foreign businessmen. Sales branches should therefore only be set up when returns will be large enough to cover expenses and leave a profit—even when sales are slow. Several of the Canadian automobile manufacturers and pulp and paper companies, among others, have chosen this method of distribution. (Sometimes direct representation is combined with an agency agreement, with the company's own salesmen working in the agent's office.)

Many exporters, both here and in Britain and the United States, insist that too few companies take this plunge. One of them puts it succinctly: "The local agent, almost of necessity, has to handle a large number of lines and of course will only push those items which sell easily. This . . . secures only a fraction of the sales which can be obtained through branch offices where the employees are well trained and enthusiastic over the company's product . . . There is always the question of overhead costs . . . but these are more than compensated for in the volume of sales achieved. Of course different products require different treatment but, by and large . . . direct or branch sales offices could be applied successfully to most items."

Establishing a Subsidiary

The establishment of a subsidiary company or the setting up of a manufacturing unit in a foreign country is a complex operation that cannot be discussed here. Dollar shortages, import restrictions in the foreign country, foreign legislation, and many other things must be considered in making the decision. In some cases, the Canadian firm decides to establish first an assembly plant overseas, and out of this a complete foreign manufacturing plant may in time evolve. One method that has been used is to buy a share in a local firm engaged in a similar business.

Flexibility Important

In conclusion, most veteran exporters agree that the newcomer should tackle the problem of distribution abroad with an open mind. He should examine the various techniques for himself, not blindly adopting one which some other company has found useful. Different territories may call for different approaches; the important thing is to be flexible and to change when change is needed. Above all, the new exporter should begin a regular program of overseas visits. Only in this way can he "take the pulse of the market" and learn for himself how it is functioning.

Tours of Territory

W. J. MILLYARD, Canadian Trade Commissioner in Salisbury, Federation of Rhodesia and Nyasaland, will visit British East Africa September 3-20.

K. F. NOBLE, Canadian Trade Commissioner in Johannesburg, South Africa, will be in Durban from October 8-13.

D. B. LAUGHTON, Canadian Trade Commissioner in Port of Spain, Trinidad, will visit Barbados for four days in the second week of September.

W. R. VAN, Commercial Secretary in Rome, Italy, will be in Trieste, September 10-11, in Zagreb, September 12, and in Belgrade, September 13-18.

K. F. OSMOND, Commercial Secretary (Fisheries) in Rome, Italy, plans visits to Palermo, September 3-4, Messina, September 5-6, and Bari, September 10-12.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible.

Index to "Foreign Trade"

The index to Volume 105 (January-June 1956) of Foreign Trade *is now ready. If you would like a copy, write to the Editor,* Foreign Trade, *Department of Trade and Commerce, Ottawa.*

JAPAN

World's Number Two Shipbuilder

In two years of prosperity and expansion, Japanese shipyards have risen to a position of eminence among the world's builders. Canadians are finding opportunities in the boom to sell engineering and technical services and the Japanese yards are short of raw materials and component parts which we produce.

JOHN E. LANCASTER, *Trade Commissioner, Kobe.*

FROM RELATIVE UNIMPORTANCE among the shipbuilders of the world Japan has jumped, in the last two years, to a position second only to the long-time leader in the field, the United Kingdom. At the moment 840 thousand gross tons are on the ways in Japanese yards; the backlog of orders runs to more than 3½ million gross tons worth nearly $1 billion.

Three factors have been chiefly responsible for this great achievement: the continuing world prosperity, full bookings among the traditional builders, and buyers' confidence in the quality of Japanese-built tonnage.

Although Japan has supported both large and small shipyards for a number of years, the country's industry before mid-1954 did not make up a large part of the world's total. Before World War II Japanese shipyards existed on orders from domestic shipping companies and the Japanese Navy Ministry. Except for the tanker boom created by the Korean war, the industry was lethargic—a reflection of the country's difficult economic straits.

Continuing world prosperity, however, brought new life. Shipowners the world over began expanding their tonnage. Soon the traditional shipbuilding countries—the United Kingdom, Western Europe and Italy —found their shipyards booked to capacity. The United States and Canada were, by and large, priced out of the picture. So the shipowners turned avidly to Japan.

According to Japanese estimates, from October 1954 to June 1955 Japan received orders for more tonnage than any other nation—1·22 million gross tons compared with 1·12 million for West Germany, 610 thousand for Italy, and 350 thousand for the United Kingdom.

During the first quarter of this year Japanese yards launched, in export tonnage alone, 356 thousand gross tons—37 per cent of the world's total. With their present orders Japanese yards can look forward to two-and-a-half years of surging activity. Superimposed upon this business will be further tonnage to be built under the Japanese Government's ship replacement scheme which could amount to 220 thousand gross tons this year. To this would be added orders from the Japanese Self-Defence Board for anti-submarine, coastal patrol and guard vessels, together with small steel coasters for domestic trade.

Service to Customers

Foreign shipowners have acknowledged that Japanese builders have the managerial, technical and engineering ability to meet the world standard. The country has a vast reservoir of labour and continuing moderniza-

Here, in the Hitachi Shipbuilding Company's Innoshima yards, a "Liberty" type ship is being remodelled. Prospects for Japanese shipbuilders appear bright with large orders placed.

tion and expansion in the shipyards yield economies in time and effort. The Japanese are capitalizing on their ability to offer faster delivery than most competing countries. It is reported that contracts for new ships in Japan call for completion within 30 months, compared with three or more years in British yards.

As the pressure of work and orders grow, completion dates are being advanced. Nevertheless, the situation appears to favour Japan. On the other hand, price is an unfavourable factor. It is estimated that the cost of constructing ships in Japanese yards is 5 to 10 per cent above that in West European (Continental) yards. If demand levels off and competition increases, therefore, the Japanese yards will be at a disadvantage.

The cost of steel, a surprisingly large percentage of the overall cost of Japanese ships, is high. Thick ship plate, which cost about $107 a ton two years ago, costs about $140 today and may go higher. Because the Japanese yards have a fixed-price contract policy, they may have to absorb some of the increase to maintain their competitive position.

Ship Demands Increasing

In spite of their problems, the prospects for Japanese shipbuilders appear bright in view of large replacement orders expected for the world's cargo fleets. Some 50 per cent of the total world tonnage is reported obsolescent and should be replaced during the next decade. As the world's population grows and trade increases, demand for seagoing tonnage grows. The world's petroleum needs, now totalling 700 million tons a year, are expected to rise to 1,500 million tons in one or two decades. Japan has secured a respectable percentage of the business in new supertankers. New contracts apparently allow for higher costs and the financial position of the yards does not appear in jeopardy.

Canadian Opportunities

Although Canada has been practically forced out of the picture as a competitor in the international shipbuilding business, some Canadian firms can and do find worthwhile opportunities selling component parts and materials. Such things as aluminum anodes and copper alloy tubing are not produced in Japan.

In other ways too, Canadians are participating in the Japanese boom. Canadian naval architects and consulting engineers are actively engaged in this field. It is not unusual to hear that a U.S. owned ship, sailing under the Panamanian or other foreign flag, was constructed in a Japanese yard to the specifications, and under the surveillance of, Canadian naval architects.

Other Canadian firms capable of entering the field or in a position to supply parts and materials would be well advised to look into the opportunities. ●

Canadian Dowels for Chicago

AMONG THE MANY SPECIALIZED ITEMS which Canadians sell in the United States are dowels and dowel pins. According to U.S. Bureau of the Census figures, Americans bought $228 thousand worth of these wooden pieces from Canada in 1955. If the market remains as favourable as it is now, the total this year should be much larger.

Dowels are used in the manufacture of coat-hanger cross bars, baby crib bars, chair backs, and towel racks. Broom handles alone require large quantities. Long large-diameter dowel rods are used in many homes, hotels, and restaurants for room dividers.

When rods are cut into small pieces and longitudinally or spirally grooved, they become dowel pins. These small pegs are used to assemble furniture and for some types of flooring. One furniture firm in the Chicago area uses over 70 million dowel pins a year; a number of others buy them in carload quantities.

Dowels used in Chicago show extremely wide differences in quality. They vary from crooked, knotty, punky, or rough sticks to very smooth, straight, clear hardwood dowels, manufactured to a tolerance of ·003 inch. Almost any type or quality of dowel made in Canada can find a market in the United States if the price is right. Some Chicago firms have shown particular interest in ⅜″ dowel and in a quality dowel over 1″.

Canadian firms which can compete with U.S. prices and quality should find ready sales. Companies willing to supply on short notice and able to ship larger sizes are in a favoured position.

Dowels and dowel pins are either marketed direct or handled by wholesalers, jobbers and commission agents; wholesalers ask commissions of 10 to 15 per cent and commission agents 5 to 10 per cent. The importer expects quick service and a freight and duty-paid price. Duty is $1.50 for the equivalent of 1,000 board feet. Minimum carloads are 36,000 pounds for rods and 30,000 pounds for pins; a minimum truckload is 23,000 pounds.

The rate of duty, proximity to the market, efficiency of production, and ready supplies should give Canadian firms a strong competitive position and the market demand appears to be strong.

—W. G. D'ARCY,
Vice-Consul and Assistant Trade Commissioner, Chicago.

Ethiopia and the Exporter

Steady increase in imports—some to speed development projects—make Ethiopian market worth considering. Supply of and world prices for coffee, the leading export, influence scale of purchases abroad. Exporters might well investigate opportunities in country where Canadian prestige is high.

M. R. M. DALE, *Commercial Secretary, Cairo.*

IN SPITE OF A TRADE DEFICIT this year, the Ethiopian economy remains basically sound. Continued improvement in communications and the beginning of a development program which includes the establishment of a number of light industries are first steps towards the rounding-out of the economy. Already the country ranks as an important potential market for a wide range of capital and consumer goods. Imports have increased from about $1 million in 1907 to $5 million in 1929 and now stand at $62 million. They should continue to expand.

Import Pattern Changes

Although imports reached a record in 1954-55, a fall in the world price of coffee, Ethiopia's leading export, cut the value of exports by over $8 million compared with 1953-54, although more coffee was exported. The pattern of imports has changed noticeably. Textile purchases have fallen and those of building materials, machinery and vehicles have risen. A decline in textiles bought abroad and a corresponding increase in imports of raw cotton results logically from the expansion of the textile industry. The use of sugar has increased over the last few years, but imports have decreased as the output of the local sugar refinery has gone up. Other imports of major importance are motor vehicles from Europe and the United States, pharmaceuticals from Italy, the United States and the United Kingdom, khaki drill from India and Japan, corrugated iron sheets from Belgium and Japan, household equipment and radios from Britain, the United States, and Eastern European countries. Imports of boots and shoes have also risen—from 20,000 pairs in 1945 to almost one million last year.

SOURCE OF IMPORTS INTO ETHIOPIA

(per cent)

	1954-55	*1953-54*	*1952-53*
Italy	15·9	15·1	16·2
United States	13·9	13·9	14·7
India	13·6	14·9	17·8
United Kingdom	9·8	12·3	14·9
Japan	8·3	7·9	5·5
Germany	8·2	8·2	3·9
France	7·6	3·4	3·7

The sources of imports, as indicated in the table below, have also changed.

Italy, a traditional supplier, has regained first place in Ethiopia's import trade. India's and Japan's importance depends on the drill and artificial silk market for which they compete vigorously, and the United States supplies raw cotton, aircraft and spares, and war-surplus woollens. France showed a remarkable rise in sales to Ethiopia of about 150 per cent this year because of larger imports of iron sheets, sugar and petrol. Canada's sales were lower than for the previous year, totalling only $73,000 and consisting mainly of automobile tires. Unlike exporters from the Communist bloc and the Asiatic countries, who have increased their activities and appear prepared to offer at low prices and to consider any request for credit, Canadian exporters do not seem to appreciate the potential of the Ethiopian market.

The Export Picture

Coffee exports increased in 1954-55 by 1,500 tons over the previous year (37,219 tons in 1953-54). This is a good indication that the industry is maturing. The 1955-56 crop is reported to be 20 to 30 per cent lower than normal and prices are still unsettled. Exports of hides and skins fell slightly but with the completion of a chain of abattoirs throughout the country, they should increase substantially.

Sales of pulses and lentils were lower than for the previous year and the volume of oilseeds exported was down also because of the trend towards local extraction. Meat on the hoof, as well as frozen or tinned, is an important export and goes largely to Israel. Live cattle exported increased from 1,626 head in 1953-54 to 19,992 head last year.

Exact statistics about the destination of exports are not available, because about 40 per cent is tranship-

ped via Aden or Djibouti. However, it is safe to assume that 75 per cent of the total reaches the United States (largely coffee), increasing Ethiopia's supply of dollars.

Development Plans Proceeding

An accelerated highway construction and maintenance program is planned for this year which will require imports of road construction machinery worth several millions. (At the moment Ethiopia has only 4,998 km. of primary roads, including 500 km. of asphalted road. The American Bureau of Roads is working under government contract to maintain and improve the primary network.)

Tenders will be called for telephone poles and radio equipment and for copper wire and poles. Programs for developing the Port of Assab and improving facilities at Massawa, and an expansion of airport facilities, are under consideration.

Foreign countries and individuals have been taking greater interest in agricultural investment projects. Coffee processing plants have been installed, sugar operations extended, and pilot rice and cotton plantations established. The Ethiopian Development Bank has made a large number of small agricultural loans and has supported several small independent industries, including an aluminum utensil plant. These all indicate the pattern which Ethiopian development will take over the next five to ten years.

Undoubtedly there are opportunities for Canadian exporters and investors, possibly in agriculture or the assessment of mineral possibilities. There is an immediate demand for farm machinery, irrigation equipment, road-building machinery and various raw materials, as well as household equipment and other consumer products. It should be remembered, however, that the average income is low, Ethiopia is a virgin market, and local agents require more than the usual assistance if they are to introduce new lines. Not only must prices and credit concessions be considered but generous assistance must be given in advertising and promoting the sale of products.

transportation notes

Kobe's Postwar Comeback

KOBE claims an important place among Japanese ports, both because of the number of ships entered and the cargo handled during 1955. The number of ocean-going ships entering the port reached 3,865, compared with 3,698 in the previous year and 3,522 in 1953. Some 11,632,678 tons of domestic and foreign cargo were shipped through the port, topping the postwar record set in 1954 of 10,104,895 tons. However, Kobe has still to overtake the 1937 figure of 18 million tons of cargo handled. Through this port pass 42 per cent of Japan's foreign exports, valued at almost US$843 million. When heavy bulk import tonnage is included, Kobe shares with Yokohama the honour of being one of the major ports of the Far East.

To keep up with increasing demands on port facilities and to make good wartime losses, strenuous efforts have been made to reclaim land on the harbour front and to build new piers. Large-scale work of this kind is going on in the eastern part of the harbour and the establishment of an industrial estate is being considered. Its purpose would be to promote manufacturing, and especially the production of primary iron and steel.

At the moment, Kobe has eight miles of wharves, 83 berths, and 38 buoys for securing ships in the roadstead, which is protected by a breakwater. A deep-water pier and a grain elevator, where ships carrying grain cargoes from Canada and other countries can tie up, have recently been completed. Additional piers are under construction.

Types of commodities handled through the port have remained virtually unchanged during the past few years. Imports consist largely of raw and semi-processed materials, and exports largely of finished goods. Rice, barley, wheat, beans and raw sugar figure most prominently among foodstuffs imported and hides and skins, crude rubber, soybeans, oilseeds, iron ore, coal and other minerals, pulp for paper

and rayon-making, raw wool, cotton and hemp are among the chief raw materials brought in. Leading exports passing through the port include raw silk and silk textiles, cotton yarn and textiles, staple fibre, woollen goods, and iron and steel products. The total value of trade handled through Kobe reached about US$1·46 billion in 1955, compared with US$1·25 billion in 1954.

Among countries using the port the United States ranked first in 1955, followed by India and the Philippines. Canada was in fourth place with 352,786 metric tons compared with 302,616 tons in the previous year; both exports to and imports from Canada shared in this rise. Major Canadian goods arriving in Kobe were wheat, barley, hides and skins, pulp for paper and rayon manufacture, iron ore and scrap, and other raw and semi-processed goods. Chief goods going to Canada from the port were silks and other textiles, iron and steel products, and miscellaneous processed goods.

—J. E. LANCASTER,
Trade Commissioner, Kobe.

Australia

TRANSPORT CHARGES INCREASED—Sharp increases in the cost of train, tram, bus and ferry fares, railway freight, and road transport fees have been announced by the New South Wales Government in an attempt to halt the mounting deficit in the operation of its transport services. The increases became effective July 1.

Suburban rail fares, rose by one-third, country fares by 15 per cent, tram and bus fares by one-half and ferry fares by one-third. Wool, wheat and coal will be hauled at the same rates but charges on most freight will be increased by 10 per cent. Licence fees on motor vehicles are being increased by varying amounts up to 300 per cent.

The increases are expected to raise the revenue of the transport services by £12,229,000 a year, but the Government still anticipates a deficit of £6 million in the next financial year—Sydney, Aug. 6.

British Eastern Caribbean

NEW AIRLINE—British West Indian Airways has announced that it is a 51 per cent shareholder in the newly-formed Leeward Island Air Transport Company (LIAT) which will operate a scheduled service among British Eastern Caribbean islands. The company is purchasing a four-passenger Piper Apache aircraft and this month will begin a twice-weekly service among the islands of Antigua, Montserrat, St. Kitts, St. Martin, and Anguilla—Port-of-Spain, July 23.

British West Indies

AUSTRALIAN SHIP SERVICE—The American Pioneer Line has added two ships to its sailings between the United States and Australia which on the return trip will go directly from Brisbane to Trinidad in about 26 days. First indications are that the service will be available once every six weeks and that some of the vessels will be equipped to handle refrigerated cargo. With through bills of lading possible to any British West Indian territory by transhipment at Port-of-Spain, this service will substantially improve the competitive position of Australian exporters to the British Caribbean—Port-of-Spain, Aug. 2.

Peru

CPA SERVICE—Canada now has a direct air link with the Argentine with the extension of Canadian Pacific Airlines service from Lima, Peru, to Buenos Aires. The flight originates in Hong Kong and flies non-stop to Tokyo, Vancouver, Mexico City (where a flight from Toronto connects with the service from the Orient), Lima, and ends at Buenos Aires. Currently, there is a weekly service with DC-6B's. It is expected that the frequency will be doubled in the near future—Lima, Aug. 7

Portuguese East Africa

TRANSHIPMENT PORT—Development of a further East African port at Nacala (some 200 miles north of Beira) under the Colonial Development Plan of the Portuguese Government is under way. Contracts have been let for the first portion of the harbour works which will provide deep-sea berthing and coastal facilities. Ultimately the project will provide 5,000 feet of deep-sea wharfage with provisions for extension.

A railway runs inland from Nacala across Portuguese territory to within 50 miles of the Nyasaland border. Eventually this line will connect with the Nyasaland Railway and give Nyasaland and Northern Rhodesia a second Indian Ocean entrepôt, supplementing the present port facilities at Beira—Johannesburg, July 30

United Kingdom

AIRLINE TRAFFIC—British scheduled airlines carried almost three million passengers in 1955, 22 per cent more than in 1954. Total passenger miles flown reached 1,807 million, a 19 per cent increase over the previous year; freight traffic rose 36 per cent to 48 million ton-miles—London, Aug. 13.

What Indonesia Buys and Sells

With export prices rising over the last three years and import and exchange controls restricting overseas buying, Indonesia's trade surplus has increased. Pattern of trade has changed little, either by country or by commodity. Canada's sales confined to narrow range of products.

W. D. WALLACE, *Commercial Secretary, Djakarta.*

WITH THE EXCEPTION OF 1952, Indonesia has enjoyed a favourable balance of trade ever since 1950. The volume of exports has remained about the same during the last three years but the value has increased, because of higher world prices for Indonesian products. On the other hand, the strict import and foreign exchange control regulations have resulted in a sizable drop in the volume and value of imports. The favourable balance of trade has thus increased steadily over the past three years. The following table indicates the trend for the years 1951 to 1955.

INDONESIAN FOREIGN TRADE

Year	Exports 1,000 tons	Exports million rupiah*	Imports 1,000 tons	Imports million rupiah	Balance of trade million rupiah
1951	8,955	14,724	2,538	9,954	+4,700
1952	9,836	10,652	4,401	10,806	— 154
1953	12,193	9,344	4,168	8,584	+ 760
1954	12,744	9,759	3,908	7,172	+2,587
1955	12,189	10,618	3,258	6,888	+3,720

* 11·40 rupiah=$1.00 Canadian.

During the last three years the pattern of foreign trade has changed very little. Textiles, chemicals, petroleum products, paper, rice, iron and steel products continue to be the leading imports; rubber, petroleum, tin, copra, tea, and palm oil are the chief exports.

EXPORTS OF PRINCIPAL COMMODITIES

Commodity	1955 1,000 tons	1955 million rupiah	1954 1,000 tons	1954 million rupiah	1953 1,000 tons	1953 million rupiah
Rubber	733	3,888	746	3,013	667	3,080
Crude oil and products	9,473	2,421	9,887	2,579	9,599	2,292
Tin	46	683	49	700	48	926
Copra	237	403	297	581	305	649
Tea	33	355	45	454	33	267
Tobacco	13	316	20	372	14	279
Palm oil	117	254	140	291	132	314
Sugar	176	210	213	255	93	111
Coffee	24	181	38	455	33	343
Copra cakes	157	80	141	76	109	80

Export Trade

Rubber, petroleum products and tin account for 32 per cent, 26 per cent and 7 per cent of the total value of Indonesian exports. The volume of these and other exports has fluctuated only slightly over the past three years, as the table below shows.

Chief markets for Indonesian products are Singapore, taking 19 per cent of her exports; the United States, with 18 per cent; the Netherlands, 15 per cent; the United Kingdom, 10 per cent; Japan, 7 per cent, and West Germany 4 per cent. Rubber and petroleum are the leading exports to Singapore and the United States, tin and rubber to the Netherlands, and rubber and tea to Great Britain. Canada's purchases from Indonesia ($1,000,943 in 1955, according to DBS figures) consisted mainly of palm oil, rubber, tapioca, kapok, tea, sisal and spices. The table following gives exports to main countries during the years 1953-1955.

PRINCIPAL EXPORT MARKETS

Country	1955 1,000 tons	1955 million rupiah	1954 1,000 tons	1954 million rupiah	1953 1,000 tons	1953 million rupiah
Singapore	319	2,081	200	2,120	210	2,011
United States	263	1,865	170	1,636	115	1,920
Netherlands	181	1,675	188	1,882	210	2,104
United Kingdom	152	1,054	95	448	12	193
Japan	157	788	50	571	29	424
Germany	198	463	61	451	33	446
Central America	96	305	51	15	70	10
Brazil	42	248	8	38	......	....
Australia	559	224	47	345	17	215
Malaya	432	136	278	235	11	155
Italy	35	89	31	173	22	163
Hong Kong	64	29	8	455	58	129

Ships like these at the docks in Tandjong Priok harbour, Djakarta, carry Indonesia's rubber, oil, tin and copra to the markets of the world and bring in the cotton fabrics, chemicals, rice, flour, paper products and other manufactured goods she requires.

The strict import control in Indonesia in the last three years has not affected imports of capital goods very much. Today they account for about 20 per cent of total imports by value—about the same as in 1953. Imports of consumer goods, however, fell to 33 per cent of total imports by value in 1955, compared with 56 per cent in 1956. Purchases of raw materials abroad today account for 47 per cent of total imports compared with 33 per cent in 1953.

The following table shows the volume and value of the ten principal imports into Indonesia for the years 1953 through 1955.

IMPORTS OF PRINCIPAL COMMODITIES

	1955		*1954*		*1953*	
Commodity	*1,000 tons*	*million rupiah*	*1,000 tons*	*million rupiah*	*1,000 tons*	*million rupiah*
Cotton fabrics	65	1,057	59	1,235	75	1,575
Chemicals and products	277	642	175	444	155	367
Paper mfrs.	91	287	71	187	73	211
Cotton weaving yarns	18	273	14	234	13	206
Rice	127	247	259	557	358	885
Iron and steel sheets, etc.	95	221	97	238	89	238
Petroleum and products	1,454	391	2,218	521	2,351	583
Other textiles, fibres and fabrics	11	215	5	128	11	208
Weaving yarns (staple fibre)	13	170	8	115	8	127
Flour	119	135	108	140	136	212

Indonesia's chief markets are also her main suppliers, with the single exception of Singapore. The United States, Japan, the Netherlands, West Germany, and the United Kingdom account for 23 per cent by volume and 58 per cent by value of Indonesia's total imports.

The following table shows the volume and value of imports by country of origin for the years 1953, 1954, and 1955.

CHIEF SOURCES OF SUPPLY

	1955		*1954*		*1953*	
Country	*1,000 tons*	*million rupiah*	*1,000 tons*	*million rupiah*	*1,000 tons*	*million rupiah*
United States	215	1,089	73	1,034	265	1,539
Japan	207	986	335	1,559	208	1,447
Netherlands	217	808	199	750	239	1,006
West Germany	246	702	155	491	175	569
United Kingdom	78	397	60	389	88	604
Hong Kong	39	363	41	430	53	624
India	50	326	32	181	58	216
Belgium	102	216	88	155	134	260
Iraq	1,171	209	1,709	343	566	120
Czechoslovakia	112	198	64	89	10	32
Burma	87	172	157	347	200	477
Thailand	59	103	82	181	71	187

During the last three years the United States and Japan have been the two main sources of supply, followed by the Netherlands. The United States furnished 16 per cent of Indonesian imports, principally cotton fabrics, automobiles, machinery, petroleum products, iron and steel, chemicals, paper, weaving yarns and flour. Japan accounted for 14 per cent of the imports, sending mainly cotton fabrics and yarns, bicycles, sewing machines, iron and steel products and machinery. The Netherlands supplied 12 per cent, including chemicals, cotton fabrics, yarns, milk, machinery, bicycles, paint, ships and iron and steel. West Germany was in fourth place with 10 per cent of the imports, and the United Kingdom fifth with 5·7 per cent. Other sources of supply individually accounted for less than 5 per cent of the total value of imports. Imports from Canada totalled about one-tenth of one per cent of the value of total imports and consisted of newsprint paper, automobiles, iron and steel sheets, engines, polystyrene and sparkplugs. ●

United States Imports from Canada

B. S. SHAPIRO, *International Trade Relations Branch.*

THE FOLLOWING TABLE has been prepared by the Department of Trade and Commerce from the 1955 import statistics of the United States. The table lists all categories in which imports from Canada reached approximately $100 thousand in 1955 and gives the rates of duty imposed by the United States on each of the categories shown. Part A consists of dutiable imports and Part B of free imports. The total value of the listed imports from Canada is $2,414,940,000.

The figures do not represent a complete coverage of the trade, because the United States follows the practice of excluding from statistics of individual commodities all import shipments valued at less than $250 each.

The table is published here, however, with the thought that our readers may find it useful as a check list of the types of goods and approximate rates of duty involved in Canadian trade with the United States.

The rates of duty are those in force as of July 1, 1956. Some of these rates will be entitled to further small reductions both next year and the following year in accordance with the terms of the recent tariff agreements. For more complete details on the full tariff descriptions and tariff classification of any particular product, readers should get in touch with the International Trade Relations Branch.

Selected Items in the U.S. Import Statistics for 1955 Showing Imports of Approximately $100,000 or More from Canada

*TABLE A—DUTIABLE IMPORTS AND RATES OF DUTY

Description	U.S. Tariff: Para. No.	U.S. Tariff: Rate of duty July 1, 1956	1955 Value of Imports: from all countries	1955 Value of Imports: from Canada
			(thousands of dollars)	
MACHINERY AND METALS				
[illegible]	353	15%	1,076	461
[illegible]	353	15%	3,910	2,768
[illegible]	353	17½%	817	95
Electric motors	353	11¼%	3,254	838
Therapeutic apparatus	353	16¼%	423	251
Radio and television apparatus	353	11¼%; 12½%	3,491	398
Telegraph and telephone apparatus	353	17½%	3,030	1,780
Photocells and tubes	353	15%	529	86
Storage batteries	320	10%	688	134
Electric furnaces, heaters, ovens	353	12½%	460	153
[illegible]	353	13¾%	26,768	2,147
Electrical goods, nspf	353	11¼%	562	236
[illegible]	[illegible]	8½%	963	924
[illegible]	[illegible]	15%; 20%	12,489	791
Sewing machines	372	10%	30,794	604
Ball and roller bearings	372	16¼% and 3.8¢ lb.	3,273	1,125
[illegible]	[illegible]	12½%	8,708	107
Mining machinery	372	13%	445	249
[illegible]	[illegible]	9½%	601	298
Saw machines	372	13%	2,260	608
[illegible]	[illegible]	13%	24,493	4,610
Automobiles and trucks	369	9½%; 11¼%	72,007	852

*The first part of Table A, Dutiable Imports, appeared in our August 18 issue.—Editor.

Description	U.S. Tariff Para. No.	U.S. Tariff Rate of duty July 1, 1956	1955 Value of Imports from all countries	1955 Value of Imports from Canada
			(thousands of dollars)	
Automobile parts	369(*c*)	11½%	12,631	7,767
Airplanes	370	14%	14,415	8,626
Aircraft parts and engines	370	14%	17,681	14,006
Motor boats	370	7%	3,429	1,505
Railway cars and parts	397	22½%	980	968
Vehicles, etc., metal	397	21%	1,190	876
CHEMICALS AND RELATED PRODUCTS				
Vanillin	28(*a*)	21% and 3¾¢ lb.	294	266
Glycols or dihydric alcohols	2	15% and 3¢ lb.	365	160
Trichloroethylene	18	7½%	1,757	523
Vinyl acetate	2	7% and 1·4¢ lb.	6,084	5,700
Vinyl alcohol	2	14% and 2·8¢ lb.	6,286	91
Acetic acid	1	0·59¢ lb.	200	200
Acetic anhydride	1	1·65¢ lb.	299	299
Methyl or wood alcohol	4	17·1¢ gal.	364	364
Hexyl; propyl alcohol	4	3¢ lb.	192	192
Calcium carbide	16	0·4¢ lb.	130	130
Pyroxylin, other than in sheet form	31(*b*)	20¢ lb.	291	239
Cellulose compounds	31(*b*)	20¢ lb.	974	472
Acetone	3	9½%	178	178
Acetylene black	71	5%	1,331	1,331
Aluminum hydroxide	6	½¢ lb.	321	283
Sulphate over 15% alumina	6	0·1¢ lb.	211	109
Aluminum salts and cpds.	6	11½%	333	192
Carbon tetrachloride	18	0·95¢ lb.	222	222
Chlorine	5	11½%	675	671
Flavouring extracts, etc.	39	7½%	377	177
Formaldehyde solution	40	⅞¢ lb.	219	219
Phosphorus	63	4¢ lb.	131	117
Chemical compounds, not specially provided for	5	11½%	17,929	12,048
Iron oxide and hydroxide, synthetic	73	10%	850	323
Barytes ore, crude	67	$2.85 ton	2,181	1,364
Zinc oxide, dry powder	77	⅜¢ lb.	685	211
Varnishes	75	10%	336	308
Mining and blasting fuses	1517	95¢ 1,000 ft.	109	103
MISCELLANEOUS PRODUCTS				
Film, photographic	1551	6¼%	1,610	213
Film, motion picture	1551	1⁄10¢ ft.	869	490
Dental burrs	359	22½%	374	76
Pipe organs	1541	10%	489	439
Ice skates	1502	12½%	773	446
Maps, charts, blank books	1410	11½%	338	148
Books	1410	5%	5,487	103
Printed matter	1410	5%	908	131
Litho prints	1406	15¢ lb.	564	96
Paint brushes	1506	25%	632	94
Electrotype plates	341	11½%	271	96
Textile waste, fur felt waste	1555	4%	4,049	1,454

TABLE B—DUTY-FREE IMPORTS

Sausage casings	1755		13,114	1,620
Smelts, fresh or frozen	1756		1,230	1,180
Sea herring, fresh or frozen	1756		151	111
Lobsters, not canned	1761		30,103	13,430
Lobsters, canned	1761		5,073	3,595
Crabs	1761		318	292
Clams, not in airtight containers	1761		548	466
Scallops, fresh or frozen	1761		907	423
Hides, horse and mule	1765		1,616	533
Skins, sheep and lamb	1681		14,175	135
Skins, deer	1765		1,227	162
Sealskins	1765		350	145
Hides and skins, nspf	1765		682	116

Description	U.S. Tariff Para. No.	U.S. Tariff Rate of duty July 1, 1956	1955 Value of Imports from all countries	1955 Value of Imports from Canada
			(thousands of dollars)	
Beaver fur, undressed	1681		3,173	3,143
Mink fur, undressed	1681		31,363	16,157
Muskrat fur, undressed	1681		2,152	2,028
Fur, other, undressed	1681		5,349	1,957
Cod oil	1730(*b*)		647	418
Cod liver oil	1730(*b*)		3,482	101
Cattle for breeding	1606(*a*)		4,842	4,767
Other animals for breeding	1606(*a*)		3,372	108
Horses for slaughter	1695		556	517
Bones, ground, ash, dust, etc.	1627		929	96
Hide cuttings, raw	1689		487	182
Glue stock	1689		240	121
Tankage, (except fertilizer)	1780		1,198	178
Fish scrap and meal (except fertilizer)	1780		11,797	5,338
Fish inedible, other	1677		979	467
Wheat for grinding and export			526	526
Bread	1623		335	151
Tea	1783(*b*)		64,762	378
Rubber scrap	1697		1,147	310
Crude drugs	1669		3,781	1,404
Moss, seaweed, etc., crude	1722		1,280	713
Cotton wastes	1662		6,601	261
Jute waste, bagging, etc.	1617		5,749	973
Binder twine	1622		5,454	1,777
Baler twine	1622		14,823	3,078
Horsehair, cattle hair	1688		4,057	502
Logs	1803		6,874	5,669
Poles, posts, round timber	1804		4,302	4,021
Staves	1805		246	246
Christmas trees	1803		5,569	5,569
Railroad ties, sawed	1804		318	318
Laths	1803		978	978
Red cedar shakes	1760		7,891	7,888
Shingles	1760		20,676	20,671
Pickets and palings	1805		1,227	1,199
Pulpwood	1803		33,927	33,922
Wood pulp	1716		277,181	238,960
Rags, waste bagging, old rope grasses, fibres, etc., for papermaking	1750		6,214	3,152
Standard newsprint paper	1772		612,642	596,992
Coal, bituminous	1650		1,586	1,586
Coke	1650		1,405	1,394
Charcoal, wood	1802		231	125
Slack and culm	1650		1,054	1,054
Quartzite	1775		389	385
Plaster rock and gypsum, crude	1743		6,287	5,759
Nepheline syenite, ground	1775		1,856	1,856
Sand, crude	1775		385	381
Carbides of silicon	1672		7,915	7,846
Abrasives, aluminous and artificial	1672		14,310	14,308
Asbestos	1616		55,712	52,774
Iron pyrites	1777		520	520
Natural gas	1719		1,297	1,297
Diamonds, rough or uncut	1668		76,735	569
Crushing bort and other industrial diamonds	1668		65,528	3,816
Iron or steel scrap	301		6,199	5,726
Ilmenite ore	1719		7,031	5,143
Aluminum scrap	374		16,364	11,488
Copper (incl. scrap)	1658		413,586	73,054
Old brass and clippings	1634		5,145	2,895
Nickel ore and matte	1734		3,264	3,264
Nickel oxide	1734		30,124	13,681
Tin ore	1785		36,736	341
Cobalt metal	1652		38,585	3,106
Selenium and salts	1758		1,468	1,468
Tin plate scrap	1786		839	803
Metallic mineral substances, crude	1664		1,788	753
Magnesium scrap	375		1,034	543
Platinum sponge and scrap	1744		12,977	7,874
Shoe machines	1643		1,315	281
Typewriters	1791		7,726	811

Description	U.S. Tariff Para. No.	U.S. Tariff Rate of duty July 1, 1956	1955 Value of Imports from all countries (thousands of dollars)	1955 Value of Imports from Canada (thousands of dollars)
Agricultural machinery and implements	1604		80,443	71,642
Creosote oil	1651		5,874	92
Naphthalene and coal tar distillates	1651		7,136	394
Antitoxine, vaccines	1610		316	195
Sulphuric acid	1601		553	550
Hydrochloric acid	1601		367	366
Sodium sulphate, crude	1766		2,412	1,274
Sodium cyanide	1667		7,132	5,495
Radium salts	1749		975	383
Radio active substances	1749		189	134
Ammonium sulphate	1685		7,935	7,868
Ammonium nitrate mixtures	1685		22,315	14,678
Calcium cyanamide	1641		4,329	4,329
Ammonium phosphate and materials for fertilizers			32,512	25,737
Paintings etc., original	1807		17,113	1,938
Sculpture casts, educational	1773		760	118

Assistant Trade Commissioners Posted

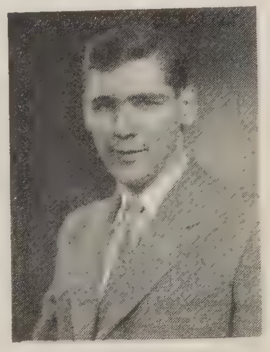
Before leaving for their posts, these four new Assistant Trade Commissioners are touring industry throughout Canada, from August 20 to November 2.

JOHN HOWARD NELSON was born in Vancouver, British Columbia, and graduated from the University of British Columbia with a B.Com. degree in 1955. Mr. Nelson has been posted to New Delhi, India, as Assistant Commercial Secretary.

PERCY TURRIFF EASTHAM was born in Kindersley, Saskatchewan, and graduated from the University of British Columbia with a B.A. and an LL.B. degree in 1951. Mr. Eastham has been posted to Port-of-Spain, Trinidad, as Assistant Trade Commissioner.

WILLIAM MANNING MINER was born in Speers, Saskatchewan. He graduated from the University of Saskatchewan with a B.S.A. degree in 1952 and received his M.Sc. in 1956. Mr. Miner has been posted to Hong Kong as Assistant Trade Commissioner.

JOHN DOUGLAS BLACKWOOD was born in Winnipeg, Manitoba. He graduated from the University of Manitoba (Brandon College) with a B.A. degree in 1954 and attended the University of Chicago in 1955. Mr. Blackwood has been posted to Karachi, Pakistan, as Assistant Commercial Secretary.



General notes

Argentina

JUTE TRADING FREED—The jute trade has been returned to private enterprise under the terms of a resolution issued recently by the Ministry of Commerce and Industry. For many years this trade was the monopoly of "IAPI" (Argentine Trade Promotion Institute) but in future jute bags will be traded through the producers' societies and co-operatives and private enterprise in general. All must register in the "Agents' Register for the Distribution of Textile Packings" (Registro de Agentes de Distribucion de Envases Textiles) which will function under the Ministry of Commerce and Industry—Buenos Aires, Aug. 7.

Australia

BASIC WAGE—The Full Arbitration Court has increased the federal basic wage by 10 shillings a week. The Court said the wage could not be increased by more than 10/- a week without creating a danger of inflation and unemployment and that the increase granted was its estimate of the highest amount the economy could pay. The decision will affect about one million workers throughout Australia. Industrial circles were disappointed that the increase was not greater—Sydney, July 31.

COPRA EXPORT CONTROLS—Controlled marketing of copra exported from Papua and New Guinea will be continued after the expiry of the Australian-United Kingdom copra agreement at the end of 1957, the Minister for Territories announced recently. These arrangements are in accordance with a request from producers for the continuation of controlled marketing under a board constituted in the same way as the present one. The Board would make all initial arrangements for the marketing of copra after 1957—Sydney, July 31.

Austria

TRADE DEFICIT LOWER—A marked improvement in Austria's balance of trade during the first half of 1956 was noted in provisional figures just released. Imports from January to June 1956 increased by 11·6 per cent to A.Sch. 12,026 million from A.Sch. 10,778 million in the same period of 1955. Exports expanded considerably from A.Sch. 8,406 million during the first half of last year to A.Sch. 10,381 million in the first six months of 1956; this 23·5 per cent increase in exports reduced the trade deficit by 30·7 per cent from A.Sch. 2,372 million to A.Sch. 1,645 million. In view of this favourable development, Austrian authorities may allow further dollar imports, which currently amount to only 8 per cent of the total—Berne, Aug. 3.

Bahamas

NEW PLEASURE RESORT—The building of a large pleasure resort, to be called the Coral Harbour Club, has recently been begun near Nassau, on a site comprising almost four square miles in area. Six miles of sea-beach, shops, a swimming pool, tennis courts, golf courses and fishing and yachting facilities are included in the scheme; the total cost will reach about £10·4 million. The club building will have luxury accommodation for 120 guests—Kingston, Aug. 8.

Jamaica

NEW ALUMINA PLANT—Alumina Jamaica Ltd. has decided to build another alumina plant here costing about £12 million. Construction will begin this year and completion is expected in 1958. It will be situated in the east-central district of Jamaica, near an abandoned railway track, part of which will be relaid in order that the alumina may be shipped by rail to Port Esquivel on the south coast. Aerial ropeways to bring the bauxite to the plant will be provided. Housing development and drilling wells for a water supply are planned. The capacity of the company's present Jamaican plant—the Kirkvine—is now being doubled, and the new one will bring their total capital investment in Jamaica up to about £34 million—Kingston, Aug. 2.

Israel

OIL STRIKE—Two new strikes have been made in the Heletz oilfield north of the Gaza strip in the Negev desert. Heletz Well No. III, which gushed on

arch 9, is said to be better than Heletz No. I since has an oil-bearing layer of 17 feet, beginning at 914 feet. The oil is reported to be of superior uality.

The third strike was made on March 18 at eletz No. II well, previously believed to be a dry ole. According to Israeli sources, Heletz can now e considered an extensive oilfield and drilling is ontinuing to discover additional oil layers and to etermine the extent of the field. Currently, an xperimental daily rate of 40 tons of crude is drawn rom this field. Israel now imports $40 million of rude oil a year—Athens, July 27.

New Zealand

NEWSPRINT TARIFF CHANGE—The customs duties on newsprint in rolls entering New Zealand was suspended recently until December 31, 1956; Canadian newsprint now enters free of duty under the British preferential tariff. The order reduces the tariff rate for most-favoured-nations from 10 per cent to free. The growing demand for newsprint exceeds home production and present imports from the Commonwealth; additional supplies from foreign countries are sought. This tariff suspension is expected to have little or no effect on Canada's exports. The trade in New Zealand considers the offerings of foreign newsprint at present to be inferior in quality, and often higher in price than the Canadian product. Any changes in the future for Canadian exports of newsprint to this market is related to the long term development of the newsprint industry in New Zealand—Wellington, Aug. 14.

Northern Ireland

SYNTHETIC FIBRE PLANT—In June negotiations were completed between an American company and the Government of Northern Ireland to establish a $3·5-million plant at Coleraine, Co. Londonderry to manufacture acrilan, one of the newest synthetic fibres. Construction will begin soon on a 70-acre site, and production is expected to start in January 1959. About four hundred workers, mostly men, will be employed on a three-shift basis; additional male workers are also required to build the plant—Belfast, Aug. 8.

Peru

COPPER MINING DEVELOPMENT—Initial operation at a $200-million copper mining project in Southern Peru are well under way. The original deposit to be exploited first is estimated at 400 million tons and is flanked by two adjoining deposits of 200 million and 700 million tons. The development program is expected to take four to five years and includes construction of a $2 million mole and pier at the port of Ilo; the building of a 120-mile railway or highway from the port to the ore body; erection of the mine-site camp, a concentrator and smelter. The largest job of all is the removal of an estimated 120 million tons of overburden to allow open-pit mining which is planned for the early stages—Lima, Aug. 3.

Philippines

AERIAL SURVEY—A Canadian company is conducting an aerial magnetometer survey to aid oil explorations in the Philippines on behalf of a Manila oil corporation. The survey plane, especially equipped for this work, arrived in Manila in June with its all-Canadian crew, after completing a surveying job in India; the company hopes to complete the Philippine air survey by mid-August. Discovery of oil would be important economically to the Philippines, which now must import all petroleum products it uses—Manila, Aug. 6.

Trinidad

TAX-FREE PERIOD FOR NEW INDUSTRY—Trinidad has extended the tax-free period which is offered to pioneer industries from five to ten years. This extension will also be available to established industries where the need can be shown. This change was said to be necessary to meet competition from other Caribbean areas and will for the first time meet the needs of those industries which require a heavy initial capital investment—Port-of-Spain, Aug. 6.

Venezuela

FLOUR MILLING ENTERPRISE—Registration of a new flour milling enterprise was announced in Caracas recently. The company, Molinos Nacionales Compania Anonima (MONACA) will have a capital of Bolivars 9·25 million (about $3 million). Included among the principal shareholders and directors are representatives of an internationally known Swedish financial organization and a well known Caracas lawyer who, on behalf of undisclosed North American interests, has subscribed 6,750 shares out of a total 9,250 offered. No indication has been given as to the size of the mill or when construction will begin. Capitalization of the new company, however, indicates that it will be somewhat larger than the two flour milling projects now being built in Venezuela—Caracas, Aug. 4.

trade and tariff regulations

British West Indies

SOME IMPORT CONTROLS LIBERALIZED—It has been announced officially in British Guiana that the following products have been placed under world open general licence, effective July 4, 1956: unmanufactured tobacco, apples, milk-based infant and invalid foods, chemical fertilizers and calcium carbide. Products which are under world open general licence may be imported without restriction from all sources.

Ceylon

BUDGET FOR 1956-1957 ANNOUNCED—The Finance Minister introduced in Parliament on July 12 the budget for the fiscal year, July 1, 1956, to June 30, 1957. Under the budget some concessions were made on import duties in respect of essential food items, machinery, farm implements, small cars, radio components and a few other commodities. Import duties have been increased on luxury cars, spectacle frames and certain machinery parts. A new import duty of 15 cents per gallon on crude oil has been introduced. Items affected under the new budget are given below. In quoting the rates of duty, the preferential rate (applies to imports from the British Commonwealth including Canada), wherever applicable, will be given first; the former rates are given in brackets.

Import duties are lowered on the following items:

Agricultural machinery and watering machines, 2½ per cent ad valorem preferential (5 per cent) and 12½ per cent ad valorem general (15 per cent); butter, 2½ per cent (15 per cent) and 12½ per cent (25 per cent); fish, dried or salted, free (1 rupee per cwt.*) and 1 rupee per cwt. (2 rupees per cwt.); jams, jellies and marmalades, 5 per cent (15 per cent) and 15 per cent (25 per cent); motor cars and station wagons, up to 8,000 rupees landed cost, engines and chassis for same, 35 per cent (42½ per cent) and 42½ per cent (50 per cent); perfumery, cosmetics, 30 per cent (40 per cent) and 40 per cent (50 per cent); artificial silk yarn and synthetic fibre, 2½ per cent (10 per cent) and 12½ per cent (15 per cent); wireless goods and apparatus and parts, 10 per cent (25 per cent) and 12½ per cent (27½ per cent); agricultural implements and tools, 2½ per cent (5 per cent) and 12½ per cent (10 per cent); perfumed spirits, including lavender water and eau-de-cologne, packed in 4 oz. containers, 40 per cent or, if higher, 40.00 rupees per gallon (50 per cent or 50.00 rupees per gallon) plus surtax of 75 per cent of the duty, packed in larger containers, 50 per cent, or, if higher, 50.00 rupees per gallon (60 per cent or 60.00 rupees per gallon), plus surtax of 75 per cent; toys and games, 20 per cent (30 per cent) and 25 per cent (35 per cent), plus surtax of 10 per cent.

On the following items the rates of import duty have been increased:

Refrigerators, 45 per cent (35 per cent) and 50 per cent (40 per cent); parts of refrigerators, 40 per cent (35 per cent) and 45 per cent (40 per cent); motor cars and station wagons, engines and chassis for same, valued from 8,000 rupees to 12,000 rupees landed cost, 62½ per cent (60 per cent) and 70 per cent (67½ per cent); motor cars and station wagons, engines and chassis for same, valued over 12,000 rupees, 82½ per cent (80 per cent) and 90 per cent (87½ per cent); spectacle frames and parts, 30 per cent (16½ per cent).

The following items were not specifically named in the Customs tariff and therefore the former rate is not easily identifiable:

Metal cans for the canning industry, of iron or steel, 5 per cent and 15 per cent, other, 15 per cent; corrugated roofing, 17½ per cent; plumber blocks, flanged couplings and set collars, 33⅓ per cent; rubber rollers, saw benches, solid pulleys, 33⅓ per cent; iron and steel grating and drain covers, 33⅓ per cent; pictures and prints, unframed, 40 per cent; in gold and silver frames, 100 per cent; and in frames other than gold and silver, 75 per cent.

* The Ceylon Rupee (100 cents) equals 20.55 cents Canadian at the current rate of exchange; a cwt. equals 112 pounds.

Indonesia

IMPORT REGULATIONS—It was reported in the August 18 issue of *Foreign Trade* that the Indonesian import licensing system was suspended on August 6 and that new import regulations were anticipated. Although the new regulations have not yet been issued, the Indonesian Foreign Exchange Bureau announced that licence applications received on or before August 4 will be processed in the usual way. Moreover, applications for licences covering orders for the Government, transactions involving certain credits, and some specified transactions (which are of little interest to Canada) have not been suspended.

It is expected that the new import regulations will be announced in the very near future. They will be reported in *Foreign Trade* as soon as details are available—Djakarta, Aug. 6.

NEW EXPORT PREMIUM SYSTEM—Effective August 6, existing Indonesian regulations concerning the granting of export premiums in local currency were withdrawn. In their place, export premiums in foreign currencies will be granted to exporters. The premium will be an established percentage of

the f.o.b. export proceeds, ranging from 3 to 20 per cent according to commodity. No premium will be granted to exporters of sugar, quinine, chinchona, tin ore and coal.

The new export premium certificates may be sold freely within three months. It is anticipated that the certificates will sell at a premium.

The list of goods which can be imported through the use of the new certificates has not yet been announced. Certificates may also be used for foreign travel, for social transfers, and possibly also for other purposes still to be determined—Djakarta, Aug. 6.

Ireland

EXTENSIONS TO SPECIAL IMPORT LEVY—The Special Import Levy which was imposed by the Government on March 14, 1956, has now been raised and extended to include a further list of commodities. This levy is in addition to any other duties already chargeable on the goods.

The rates of 37½ per cent ad valorem (full rate) and 25 per cent ad valorem (preferential rate—United Kingdom and Canada) imposed in March on certain articles have been increased to 60 per cent and 40 per cent. Goods liable to these rates include the following:

Washing machines and refrigerators for domestic use; musical instruments and accessories thereof; clocks, watches, watch straps and watch bracelets; new articles of personal clothing or wearing apparel, excluding knitted woollen garments, etc.; toys and sports goods; fountain pens, pencils and jewellery; meat and meat preparations (including soups); fruit and vegetable juices; fur skins.

An additional list of goods has been drawn up which will be dutiable at the rate of 37½ per cent (full rate) and 25 per cent (preferential rate—United Kingdom and Canada). This list includes:

Artificial plastic materials (other than knitted or woven fabrics) imported in sheets and rolls; certain articles made of artificial plastic material; certain office machines; vegetables (other than tomatoes and dried peas), fresh, frozen dried or otherwise preserved; vegetable soups and purees; cereal products, including macaroni, spaghetti, etc.; canned fish; raw furskins; paperboard in sheets or rolls.

The rate of duty on canned fruits in syrup has been increased. Commercial vehicles are now included in the 15 per cent levy on assembled and unassembled road motor vehicles.

Further information regarding the special import levy may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

New Zealand

IMPORT CONTROL FOR 1957—The New Zealand Minister of Customs announced on August 1 the import licensing schedule for 1957. This schedule provides for the continuation of the items exempted from import licensing during 1956. There are no additions to the list, except that provision has been made to receive applications for imports of gumboots exceeding children's size 6 from Canada and the United States.

Regarding imports from the dollar area, the Minister stated that there would be no change during 1957 in the current policy. Dollar licences will continue to be granted mainly for plant and equipment, raw materials, and other requirements of the primary manufacturing and building industries.

The policy regarding imports of motor vehicles for 1957 has not yet been announced.

DOLLAR IMPORT LICENCES—The New Zealand Department of Customs announced on July 24, 1956, that in cases where an importer's 1956 basic licence for textile piece goods from the dollar area is less than the 1955 licence, consideration will be given to the granting of an additional licence to bring the 1956 licence up to the level of the 1955 licence. This additional licence will be granted in cases where it can be shown that the reduction was due to the fact that orders placed under the 1955 licence were not landed until 1956.

Norway

IMPORT QUOTAS FOR CANADIAN GOODS—A Norwegian measure freeing a wide range of dollar goods from import restrictions was reported in *Foreign Trade* of August 4 and 18. Information has now been received that the Norwegian authorities extended, at the same time, the application of most quotas on the Norwegian "Global Quota" list to dollar countries, including Canada. This list, which had previously applied mainly to European countries and their overseas territories, establishes import quotas, on an annual basis, for various goods which have not been liberalized.

The global quota list consists largely of manufactured goods. Among them, the following appear to be of interest to Canadian exporters:

Eggs for technical use; synthetic resins; plastic materials in sheets, rods, etc.; hardened animal and vegetable oils and fats; vegetable and animal wax, paraffin wax; varnishes; cosmetics, perfumes and soaps; aluminum paste; wire fencing and netting; outboard motors; accounting and card-punching machines; washing machines; refrigerators; electric stoves and heaters; machines for the paper and pulp industries, for sawmills and planing mills; telegraph and telephone apparatus;

echo sounders; taxis; aircraft parts; oil heating installations and church organs.

—Oslo, August 2.

Detailed information for particular items may be obtained from the International Trade Relations Branch.

Switzerland

CUSTOMS DUTIES ON CONIFEROUS LUMBER—Temporary reductions in Swiss customs duties on coniferous lumber will remain in force for another year, until August 31, 1957. The reductions apply to lumber and timber of coniferous trees in the rough (from 0·50 francs to 0·05 francs per 100 kilograms gross weight), and to sawn or split coniferous lumber and timber, even if completely squared (from 2·50 francs to 0·50 francs per 100 kilograms gross weight) —Berne, Aug. 9.

United States

DUTY SUSPENSION ON METAL SCRAP CONTINUED—By Public Law 723, approved July 16 1956, metal scrap continues to be exempt from import duties until June 30, 1957, with the proviso that this exemption shall not apply to lead scrap, zinc scrap or tungsten scrap.

FREE ENTRY EXTENDED TO NICKEL-CONTAINING MATERIAL—By Public Law 723, approved July 16, 1956, duty-free entry is extended, under tariff paragraph 1734, to nickel-containing material in powder, slurry, or any other form, derived from ore by chemical, physical, or any other means, and requiring further processing for the recovery therefrom of nickel or other metals.

Trade Commissioners on Tour

D. S. ARMSTRONG, Canadian Trade Commissioner in Singapore, begins a tour of Canada in Vancouver and Victoria, September 4-14. His itinerary is:

Edmonton—Sept. 17-18
Winnipeg—Sept. 20-21
Toronto—Sept. 24-Oct. 2
Hamilton: St. Catharines: Welland—Oct. 3-4
Brantford—Oct. 5
Sarnia—Oct. 9
Windsor—Oct. 10
Brockville—Oct. 12
Montreal—Oct. 15-24
Halifax—Oct. 26
Saint John—Oct. 29
Ottawa—Oct. 31-Nov. 7

L. S. GLASS, Commercial Counsellor for Canada in Wellington, New Zealand, began his Canadian tour in Montreal, August 6. His itinerary is:

Hamilton—Sept. 4-7
Niagara Falls—Sept. 10
St. Catharines: Welland—Sept. 11
Brantford—Sept. 12
London—Sept. 13
Windsor: Walkerville—Sept. 14
Sarnia—Sept. 17
Winnipeg—Sept. 20-21
Regina—Sept. 24
Calgary—Sept. 25-26
Edmonton—Sept. 27-28
Vancouver—Oct. 1-12
Victoria—Oct. 15-16

C. S. BISSETT, Commercial Counsellor for Canada in Buenos Aires, Argentina, began his Canadian tour in Montreal, July 30-August 10, and completes it in Vancouver, September 10-14, and Ottawa, October 24.

F. B. CLARK, former Commercial Secretary in Caracas, Venezuela, began a tour of Canada in Victoria August 30-31. His itinerary is:

Vancouver—Sept. 4-10
Calgary—Sept. 13
Edmonton—Sept. 14-15
Winnipeg—Sept. 17-18
Toronto—Sept. 20-28
Hamilton—Oct. 1-2
St. Catharines: Niagara area—Oct. 3-4
Brantford—Oct. 5
Kitchener—Oct. 8
Welland—Oct. 9
Windsor: Sarnia area—Oct. 10-1
Montreal—Oct. 15-23
Granby—Oct. 24
St. Johns—Oct. 25
Quebec—Oct. 26
Halifax—Oct. 29-30
Kentville—Oct. 31-Nov. 1
Saint John—Nov. 2-3
Ottawa—Nov. 5

Businessmen in the various centres may get i touch with these officers through the Board of Trad in Brantford, Granby, Halifax, Kentville, Montre and Saint John; Chambers of Commerce in Brockville, Calgary, Hamilton, Kitchener, London, Niagar Falls, Regina, Quebec, St. Catharines, Sarnia, S John's, Waterloo, Welland and Windsor; the Canadia Manufacturers Association in Edmonton, Toronto an Winnipeg; the Department of Trade and Commer in Vancouver and Ottawa, and the Department Trade and Industry in Victoria.

Coming to Canada on Business

The information about foreign business vistors given here is, to the best of our knowledge, accurate at the time of going to press. We cannot, however, accept responsibility for any changes in itineraries nor for cancellation of plans. This information is published as a service and in no way represents sponsorship or selection by the Department of Trade and Commerce. We cannot undertake to enter into correspondence about these visitors.

▶ from Australia

*FRANK SEALES of W. J. Carr Pty Ltd., 95-99 Bay Street, Port Melbourne, Victoria, and President, Australian Federation of Manufacturing Stationers, will investigate ideas for the Australian stationery industry. He plans to arrive in Montreal the third week in September and to stay in Canada approximately a month. Main cities on itinerary are Montreal, Toronto, Vancouver.**

*S. T. ATKINSON, Director of A. G. Healing Ltd., dealing in automobile parts, expects to arrive in Montreal October 3 to visit the Montreal area for a few days.**

*G. R. CAMERON, Managing Director, Komiak Seeds Ltd., Millicent South Australia, with a special interest in pasture seeds, will visit Canada for one day in Toronto on September 12.**

** For further information or to make arrangements to see these three men, please contact C. L. Steele, Australian Government Trade Commissioner, 1255 Phillips Square, Montreal.*

▶ from the Belgian Congo

RENE DELVAUX, senior partner, Messrs. Redelco, general importers of Leopoldville, Belgian Congo, will visit Canada during the latter half of September. The main purpose of his visit is to keep in touch with present Canadian principals and friends but he would welcome leads which might increase his firm's representation. He is especially interested in consumer durable goods and foodstuffs, mainly canned, dried, and salted fish. While in Canada Mr. Delvaux will visit the Department of Trade and Commerce in Ottawa.

▶ from Indonesia

ROBERT Y. N. KING, representing the X-ray and medical products division of Messrs. N. V. H., Mij., and J. A. Wattie and Company, Tanah Abang Barat 40, Djakarta, Indonesia, importers of pharmaceuticals, X-ray and medical equipment, and food products, will visit Canada early in September. The company he represents also imports general equipment and supplies for the Wattie Estates and other estates through control of the Estates Supplies and Trading Company in Surabaya. Mr. King will arrive in Ottawa during the first two weeks of September to consult with Atomic Energy of Canada Limited. He plans also to include visits to an aviation electronics company and a chemical firm in Montreal. His mailing address is c/o Mr. W. J. Green, Atomic Energy of Canada Limited, Ottawa, Ontario.

▶ from Japan

YOSHIO KOBAYASHI, chief of the Kanagawa Breeding Farm of 3910 Hongo Ebina Machi, Koza Gun, Kanagawa Prefecture, Japan, will arrive in Toronto between September 10 and 15. Mr. Kobayashi is not purchasing cattle on this trip to Canada; his aim is to gain appreciation of Canadian Holstein herds with a view to future purchases. International Livestock Exporters Ltd. Box 125, Oakville, Ontario, has been informed of his proposed visit.

ISAO YAMADA, Managing Director, Kokoku Rayon and Pulp Co. Ltd. of 1, Shiba Tamuracho 1-Chome, Minatu-Ku, Tokyo, Japan, representing one of the leading producers of sulphite pulp in that country will visit Montreal on October 10 as part of his world tour; he is particularly anxious to see through a typical Canadian sulphite pulp plant and to study our pulp industry. The Canadian Pulp and Paper Association, 2280 Sun Life Building, Montreal, Quebec, has been informed.

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1·02073

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent August 16	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Official	·5443	1·837	(1)
		Free	·03281	30·47	
Australia	Pound		2·1810	·4585	
Austria	Schilling		·03768	26·54	
Belgium-Luxembourg	Franc		·01964	50·92	
Belgian Congo	Franc		·01964	50·92	
Bolivia	Boliviano	Official	·005156	193·95	
British West Indies	Dollar		·5680	1·76	(2)
	Pound		2·7263	·3668	(3)
	Dollar	British Honduras	·6816	1·4671	
Brazil	Cruzeiro	Effective selling*			
		*Category I	·0114142	87·61	tax 10% (4)
		Category II	·009079	*110·14	31 July
		Category III	·005748	*173·98	(5)
		Official buying	·53362	18·74	
Burma	Kyat		·2057	4·86	
Ceylon	Rupee		·2045	4·890	
Chile	Peso	Free	·001983	504·286	(15)
Colombia	Peso	Basic	·3919	2·552	(7)
		Free*	·2057	4·861	15 August
Costa Rica	Colon	Official	·1745	5·731	
		Controlled free	·1475	6·778	
Cuba	Peso		·9797	1·021	tax 2% (4)
Czechoslovakia	Koruna		·1361	7·348	
Denmark	Krone		·1418	7·052	
Dominican Republic	Peso		·9797	1·021	
Ecuador	Sucre	Official	·06532	15·309	
		Free	·05267	18·986	
Egypt	Pound	Official	2·8132	·3555	(6)
Fiji	Pound		2·4561	·4071	
Finland	Markka		·04260	234·7	
France	Franc		·002800	357·1	(8)
French Africa	Franc		·005600	178·6	(9)
French Pacific	Franc		·01540	64·94	(10)
Germany	D Mark		·2338	4·277	
Greece	Drachma		·03265	30·63	
Guatemala	Quetzal		·9797	1·021	
Haiti	Gourde		·1959	5·105	
Honduras	Lempira		·4898	2·042	
Hong Kong	Dollar	Free*	·1592	6·282	*3 August
		Official	·1704	5·869	
Iceland	Krona	Official	·06016	16·62	
		Special buying	·04462	22·41	
		Special selling	·35149	28·45	(11)
India	Rupee		·2045	4·890	
Indonesia	Rupiah	Basic	·08627	11·592	(12)
Iran	Rial	Certificate	·01293	77·32	
Iraq	Dinar		2·7431	·3645	
Ireland	Pound		2·7263	·3668	
Israel	Pound		·5443	1·837	
Italy	Lira		·001573	635·7	
Japan	Yen		·002722	367·4	
Lebanon	Pound	Free	·3062	3·266	
Mexico	Peso		·07838	12·76	

* Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent August 16	Units per Canadian dollar	Notes (See below)
Netherlands	Guilder		·2558	3·909	
Netherlands Antilles	Guilder		·5154	1·940	
New Zealand	Pound		2·7263	·3668	
Nicaragua	Cordoba	Effective buying	·1484	6·739	
		Official selling	·1390	71·96	
Norway	Krone		·1372	7·289	
Pakistan	Rupee		·2045	4·890	
Panama	Balboa		·9797	1·042	
Paraguay	Guarani	Official	·01633	61·24	(6) (13)
Peru	Sol	Certificate	·05156	19·39	
Philippines	Peso		·4898	2·042	
Portugal	Escudo		·03419	29·25	(14)
El Salvador	Colon		·3919	2·552	
Singapore & Malaya	Straits dollar		·3181	3·144	
South Africa (Union of)	Pound		2·7263	·3668	
Spain & Dependencies	Peseta	Basic buying	·04473	22·35	(6)
		Basic commercial selling	·05966	16·76	
		Free	·02515	39·76	
Sweden	Krona		·1894	5·279	
Switzerland	Franc		·2286	4·374	
Syria	Pound	Free*	·24691	4·05	16 July
Thailand	Baht	Free	·04735	21·12	(6)
Turkey	Lira		·3499	2·858	
United Kingdom	Pound		2·72625	·3668	
United States	Dollar		·9796875	1·021	
Uruguay	Peso	Free*	·2409	4·15	*20 Aug. (16)
		Basic buying	·64516	1·55	
		Principal selling	·46729	2·14	(6)
		Special selling	·32680	3·06	
Venezuela	Bolivar		·2924	3·420	(6)
Yugoslavia	Dinar		·003265	306·3	

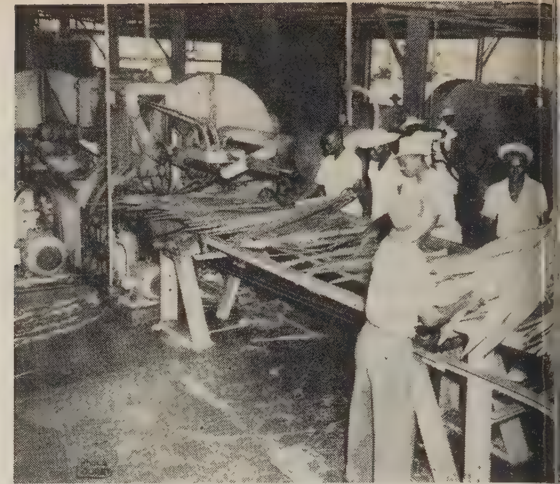
* Latest available quotation date.

notes

1. Argentina: additional rates result from exchange retentions on export proceeds and surcharges on imports.
2. Barbados, Trinidad, Tobago, Leeward and Windward Islands, British Guiana.
3. Bahamas, Bermuda, Jamaica.
4. Tax affects selling (import) rates only; certain essential imports exempt.
5. Brazil: currency certificates auctioned for five import categories. Effective selling rate is official rate of 18.82 to U.S. dollar plus price of certificate. Tax of 10 per cent applies to official rate (tax is 1.88 cruzeiros per U.S. dollar). Exporters receive cruzeiros at official rate plus exchange premiums ranging from 18.70 to 48.64 cruzeiros per U.S. dollar, depending on product. Three rates shown cover bulk of transactions for auction.
6. Additional rates are in effect.
7. Colombia: stamp taxes of 3, 10, 30, 80 and 100 per cent on imports depending on essentiality. The free rate applies to minor exports and less essential imports.
8. Includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
9. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
10. New Caledonia, New Hebrides, Oceania.
11. Iceland: special rates apply to minor export products of small fishing boats and designated non-essential imports.
12. Indonesia: basic rate applies to most exports and a few essential imports. Purchase of exchange for other imports is subject to surcharges of 50, 100, 200 or 400 per cent depending on products.
13. Official rate applies to exports and essential imports. For non-essential imports there is a surcharge of 25 Guaranis per U.S. dollar.
14. Portugal: approximately same rate for Portuguese Territories in Africa.
15. Chile: free rate applies to exports and to imports, except prohibited imports. Chilean importers must deposit local currency in amounts ranging from 5 to 200 per cent, depending on product, prior to shipment of goods.
16. A new exchange system came into effect in Uruguay on August 4. An explanatory note on the new system will appear in the Trade and Tariff Section of our next issue.

Haiti Expands Sisal Industry

E. R. BELLEMARE,
Chargé d'Affaires, a.i., Port-au-Prince.



SISAL is now Haiti's second most important export after coffee. The sisal industry has only recently achieved this prominence; large-scale production was started in 1926, but the industry's real expansion began during World War II to meet the demand for a substitute for manila hemp. Today, there are eleven important producers with total plantings of over 55,000 acres and ten mills. Last year, Haiti produced about 40 million lb. of sisal fibre of all grades. The eleven plantations were responsible for some 95 per cent of production (the remainder was produced by peasant farmers) and for export sales of over 31 million lb. worth $5·4 million.

Crushing the sisal plant (above, right) produces fibres (above, left) and pulp which are used to manufacture cord, rope and twine, bags and handicrafts, and bulk filler for upholstery. Part of Haiti's sisal production, about 200 thousand lb. a year, is consumed by the local bag factory which produces about one million sisal bags a year, and by the growing handicrafts industry, some of whose products are pictured below, right. Principal buyers of the 31 million lb. exported last year were the United States, Belgium, the Netherlands and the Dominican Republic. Although Canada bought 23,836,000 lb. of Haitian sisal worth $1,264,675 in 1955, and is the principal importer after the United States, these purchases are recorded as U.S. imports because Canadian manufacturers obtain their sisal chiefly through U.S. suppliers. The principal obstacle to direct imports of sisal into Canada has been the lack of a regular northbound shipping service to Canada. Saguenay Terminals Ltd. of Montreal, recently established such a service on a trial basis and it is hoped that it will prove successful.

VENEZUELA

Oil . . .

Dollars . . .

Opportunities

Venezuela is today the world's second largest producer and its leading exporter of petroleum and petroleum products. Oil means money . . . hard currency . . . dollars - - and Venezuela is one of the half-dozen countries to escape that economic malady, the dollar shortage. It has the cash to buy what it wants in the markets of the world; it imposes no currency restrictions.

New oil concessions are being considered by Venezuela for the first time in a decade. As these are granted, the business of the country - - and its imports - - will be stimulated to even greater vigour. These dollars spell sales opportunities for the Canadian exporter. Venezuela needs - - and can pay for - - products that Canada can supply. This is a market that is well worth investigating.

GET THE FACTS

For a free copy of the new market information booklet on Venezuela write the Director, Information Branch, Department of Trade and Commerce, Ottawa. Supply is limited, so write for your copy today.

SEPTEMBER 15, 1956

foreign trade

ADA

CANADA'S FOREIGN TRADE SETS NEW RECORD (page two)

CANADA

foreign trade

Established in 1904

Published fortnightly by the Department of Trade and Commerce.
The Right Honourable C. D. HOWE, Minister,
WM. FREDERICK BULL, Deputy Minister.

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cover Grain harvesting goes forward on an Alberta farm, while nearby drilling for oil proceeds. Strides made by Canada's petroleum industry are reflected in export figures for the first half of 1956, when crude petroleum chalked up the largest proportionate sales increase among all commodities—some 285 per cent over the first half of 1955. For the full story on this and on other developments in Canada's trade in the first six months of the current year, turn to page two.

— Photo by Imperial Oil.

Canada's Foreign Trade Sets New Record

Marked recovery of wheat sales main feature in Canada's export trade for first six months of 1956; imports also increased over wide range. Totals for both exports and imports set peacetime record for six-months period. This article analyzes the trade statistics and points up significant trends.

MARCEL LANDEY, *International Trade Division, Dominion Bureau of Statistics.*

CONTINUED EXPANSION characterized Canadian foreign trade in the first half of 1956 and both exports and imports reached record peacetime levels for any six-months period. The value of total exports (domestic exports plus re-exports) rose 12 per cent above the corresponding half-year in 1955 and exceeded by 9 per cent the previous record set in 1952. Imports increased 29 per cent over 1955 and surpassed the previous peak of 1953 by almost the same percentage. Because imports rose over two-and-a-half times more than exports, the resulting import balance was the largest in Canada's history—almost four times as great as in the same period of 1955 and 60 per cent above the previous half-year record value in 1951.

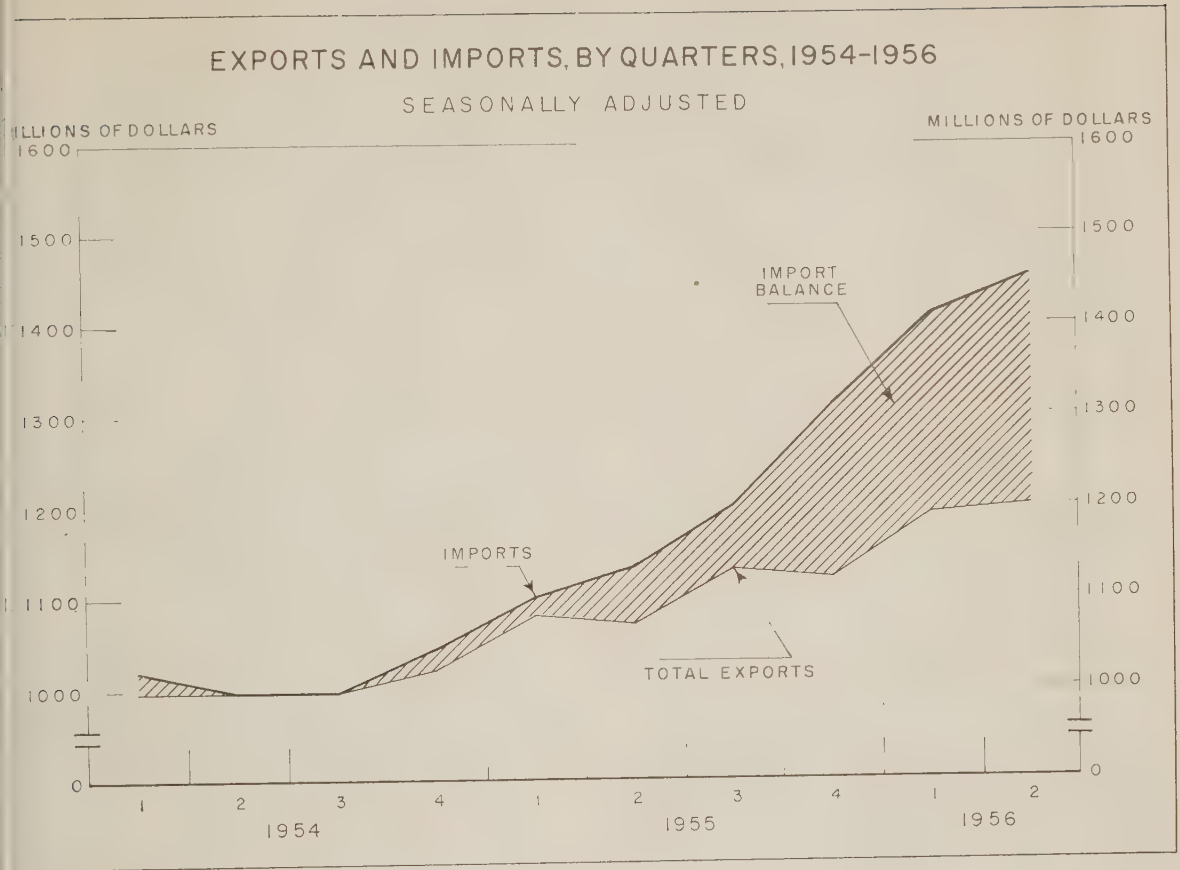
Factors in Trade Recovery

The accompanying chart illustrates the recent trends in Canadian foreign trade on a quarterly basis, with allowance for the seasonal pattern affecting them. The decline of both exports and imports from their previous peak in mid-1953 was arrested in early 1954, and the upward movement which started in the latter part of 1954 carried trade to new peaks at mid-1956. The average prices of exports and imports rose moderately at virtually the same rate, and thus the terms of trade remained unchanged. Over two-thirds of the value increase in exports and over four-fifths of that in imports resulted from a higher volume of shipments. Both exports and imports set new records in volume.

The external and internal stimuli which contributed to the marked recovery of Canada's foreign trade in 1955 from the more moderate level of 1954 were perhaps even stronger during the first six months of 1956. The continued prosperity of the international economy as a whole was reflected in a rate of world trade above the record level of 1955. The generally high pace of business activity in the United States and Western Europe was a particularly strong source of demand for many Canadian products. In Canada, the upward impetus and buoyancy of the national economy in 1955 carried over into 1956. The demands of industrial expansion—especially in resource development projects—and those generated by the generally high levels of employment and income produced a steadily increasing rate of purchases from abroad. A particularly striking upswing took place in imports of primary and semi-finished steel products, machinery and plant equipment.

U.S. Leading Trade Partner

The United States was, as usual, Canada's leading trading partner, continuing to take 60 per cent of Canadian exports and supplying almost 75 per cent of our imports. The value of exports to the United States increased at the same rate as did total exports and set a new first half-year record. The largest absolute and percentage gain for any individual commodity took place in petroleum sales, which almost quadrupled. Forest products remained the largest major group, accounting for almost one-half of total exports. Because of some falling-off in housing construction in the United States, planks and boards—which had the largest value increase of all individual commodities in the corresponding period of 1955—showed a moderate drop in the first half of 1956 and shipments of shingles



also went down. But these declines were sufficiently compensated for by very sizable advances in newsprint and wood pulp and in plywoods and veneers, to give forest products a 20 per cent share of the increase in exports to the United States. In non-ferrous metals, decreases in aluminum, lead and silver were matched by increases in platinum metals and miscellaneous ores, in addition to a very sharp gain in copper, second only to that made by petroleum. Shipments of iron ore rose substantially and there were marked advances in ferro-alloys, scrap iron, and steel and machinery. It is worth noting that agricultural products registered the second best percentage gain of all the major groups, with particularly large increases in barley and wheat.

Imports from the United States also rose at the same rate as total imports, by far exceeding any previous half-year value. The increase was widespread and took place in every one of the nine major commodity groups except fibres and textiles. By far the biggest gain, accounting for about three-quarters of the total increase in imports from the United States, was in iron and steel products. All the principal items in this group except railway cars and coaches made very considerable advances, especially non-farm machinery, rolling mill products, cars and trucks, tractors, and pipes, tubes and fittings.

Trade with Britain Changes

Trade with the United Kingdom presented a situation exactly opposite to that prevailing a year ago. In the first half of 1955 a strong demand for grains, forest products and non-ferrous metals produced a 35 per cent increase in Canadian exports to Britain. But imports into Canada, adversely affected by rail, dock and seamen's strikes in the United Kingdom as well as by an active domestic demand in that country, declined by 10 per cent. In the first six months of 1956, however, Canadian exports to the U.K. went down by 4 per cent and imports into Canada rose by over 30 per cent to reach the highest postwar value for any half-year. The curtailment of British purchases in Canada was the result of a high inventory accumulation of industrial materials during 1955. In addition, the change in the United Kingdom-Canada trade picture may have been affected to some extent by successive

Summary Statistics of Canadian Trade

(not seasonally adjusted)

	1954		1955		1956	Change	
	1st half	2nd half	1st half	2nd half	1st half	1st half '54 to 1st half '55	1st half '55 to 1st half '56
			$'000,000			%	%
VALUE OF TRADE							
Total Exports	1,871·3	[illegible],075·6	2,063·4	2,288·0	2,304·2	+10·3	+11·7
Imports	2,050·1	2,043·1	2,209·4	2,503·0	2,847·2†	+ 7·8	+28·9
Trade Balance	178·8	[illegible]	146·1	215·0	543·0†		
PRICE INDEXES			1948 = 100				
Export Prices	115·8	111·8	116·6	118·6	120·5*	+0·7	+ 3·3
Import Prices	109·8	109·7	109·9	111·4	113·6†	+0·1	+ 3·4
Terms of Trade	105·5	104·6	106·1	106·5	106·1†	+0·6	0·0
VOLUME INDEXES			1948 = 100				
Export Volume	103·4	115·7	113·3	123·4	122·5*	+9·6	+ 8·1
Import Volume	111·[illegible]	110·3	151·0	169·0	188·8†	+6·9	+25·0

* Preliminary
† Estimated

fiscal and monetary measures taken by British authorities intended to reduce domestic spending and purchases abroad and to encourage exports.

The United Kingdom's share of total Canadian exports declined from almost 19 per cent to 16 per cent; her proportion of Canada's import total was fractionally higher at over 8 per cent. The greatest decline for any individual export commodity occurred in barley and there was also a very considerable drop in tobacco. Wheat—again by far the largest export to the United Kingdom—went up markedly and so did flaxseed, but agricultural and animal products as a whole lost some ground. The sharpest major group decline took place in forest products, because of much lower shipments of planks and boards and to a lesser extent of wood pulp, even though sales of newsprint showed a substantial gain. Exports of non-ferrous metals were very slightly higher, with a sizable drop in zinc compensated by an advance in platinum metals and lower shipments of lead offset by increases in copper and aluminum. On the import side, the value increases were fairly widely spread. Gains were chiefly evident in iron and steel products (which showed by far the largest decline a year ago) especially in rolling mill products, automobiles, pipes, tubes and fittings and machinery. The other major group showing a substantial advance was non-ferrous metals and products, particularly electrical apparatus.

Trade with Europe Rises

Both exports to and imports from Europe were over 50 per cent larger than a year ago, but in absolute terms the former were almost three-and-a-half times as great as the latter. Wheat accounted for close to 90 per cent of the total increase in Canada's exports to Europe, with shipments reaching almost one-half of the total value of wheat exports to all countries. About one-third of wheat sales to Europe went to Soviet countries, most of it to Russia and Poland in about equal amounts. As a result of these unusual wheat shipments as well as of some sales of barley, rye and butter, Canada's exports to Soviet countries increased to over $43 million in the first half of 1956 from only $2 million a year ago. But there were also substantial increases in wheat sales to most of the regular Western European outlets, partly because of last winter's crop damage. All of Canada's principal trading partners shared in the increase in trade with Europe, especially Germany, which accounted for one-fifth of the rise in exports to and about two-fifths of the advance in imports from that area. Italy, France, Norway, and Belgium and Luxembourg also participated in the advance.

Commonwealth and Latin America

Exports to the Commonwealth were at the highest level since the first half of 1952. One-half of the 12 per cent value increase was accounted for by India, as a result of larger shipments of locomotives, and 40 per cent by the Union of South Africa. There was also a sizable upturn in exports to Pakistan and Jamaica, offset by decreases to Australia and New Zealand. Imports from the Commonwealth were moderately larger, with no particularly heavy individual increases or declines.

Direction of Canadian Trade

	Total Exports			Imports		
	January—June			January—May		
	1955	1956	Change	1955	1956	Change
	$'000,000		%	$'000,000		%
United States	1,228·8	1,373·6	+11·8	1,349·0	1,759·4	+30·4
United Kingdom	386·5	371·4	− 3·9	156·3	197·4	+26·3
Other Commonwealth and Ireland	119·0	133·5	+12·2	74·6	79·6	+ 6·7
Other Europe	165·9	252·2	+52·0	65·8	101·4	+54·1
Latin America	78·4	81·0	+ 3·2	120·5	154·3	+28·0
Other Countries	84·6	92·5	+ 9·3	41·1	62·5	+52·2

The increase in imports from Latin America was much greater than in Canada's exports to that area, the result largely of an extremely sharp rise in purchases of cotton from Mexico and also larger imports from Venezuela, Brazil, Colombia, Cuba and Panama. On the export side the largest gains—which took place in sales to Peru, Mexico, Panama and Venezuela—were partly offset by lower shipments to Colombia, Brazil, Cuba and Argentina.

Canada's trade with all other countries also went up, but purchases increased more than sales. Both exports to and imports from Japan increased very substantially and so did Canada's imports from the Netherlands Antilles.

Wheat Sales Recover

The outstanding feature of Canada's exports in the first half of 1956 was undoubtedly the marked recovery of wheat sales. Following a sharp decline in 1954 and 1955 from the unusually high levels of the preceding two years, wheat exports reached an amount almost at the level of the first six months of 1952 and close to the value of the record first half-year of 1953. The increase in wheat sales over the first half of 1955 accounted for almost 40 per cent of the rise in total exports. Seeds and especially flaxseeds were the other agricultural commodity showing very sharp gains, in this case for the second successive year. Sales of whisky were also higher. But exports of tobacco were halved and there were losses in barley and wheat flour.

Another noteworthy development during the first six months of 1956 was the increase in exports of manufactured goods, chiefly because of sizable gains in aircraft, automotive equipment, locomotives and machinery, which together accounted for about 15 per cent of the total export increase. Planks and boards, which registered the largest absolute advance of all the individual commodities in the first six months of 1955, had the sharpest decline but still exceeded the levels of any other first half-year period since the war. Sales of newsprint—which, as in every first half-year since 1950, was again the leading export—were higher by

Selected Export and Import Commodities

DOMESTIC EXPORTS	January—June 1955	1956	Change
	$'000,000		%
Wheat	165·6	258·3	+ 60·0
Seeds	21·1	30·0	+ 42·3
Fish and fishery products	57·1	57·8	+ 1·2
Newsprint paper	321·9	345·0	+ 7·2
Planks and boards	189·4	162·0	− 14·5
Wood pulp	145·2	152·4	+ 5·0
Farm implements (ex tractors)	47·9	47·2	− 1·6
Iron ore	22·1	32·3	+ 46·0
Automobiles, trucks and parts	14·9	24·5	+ 64·7
Nickel	109·3	114·0	+ 4·3
Copper and products	74·6	100·9	+ 35·2
Aluminum and products	106·2	99·4	− 6·4
Petroleum and products	13·5	51·8	+282·1
Asbestos and products	44·6	48·2	+ 8·0
Aircraft and parts	10·9	26·0	+139·2
All other commodities	685·2	718·0	+ 4·8

IMPORTS	January—May 1955	1956	Change
	$'000,000		%
Rubber and products	29·5	34·5	+ 17·1
Coffee	25·2	31·1	+ 24·5
Fibres and textiles	162·0	187·4	+ 15·7
Machinery, non-farm	167·8	252·8	+ 50·6
Automobile parts	119·3	134·2	+ 12·5
Automobiles and trucks	45·3	108·2	+138·6
Rolling mill products	41·2	98·4	+138·7
Tractors and parts	42·1	75·9	+ 80·2
Engines, internal combustion	48·9	53·7	+ 9·8
Pipes, tubes and fittings	16·7	46·3	+177·5
Farm implements, (ex tractors)	28·6	36·2	+ 26·4
Electrical apparatus, n.o.p.	88·3	104·4	+ 18·2
Petroleum and products	129·4	151·0	+ 16·7
Coal and products	43·1	51·4	+ 19·1
Chemicals and products	99·2	124·2	+ 25·2
All other commodities	720·5	864·7	+ 20·0

an amount close to the loss in planks and boards. There were also gains in wood pulp, plywoods and pulpwood, and a drop in shingles. As a result of these contrasting movements forest products, which formed the backbone of the export recovery a year ago, only slightly more than held their own.

There was also a mixed situation in non-ferrous metals whose rate of advance compared with the first half of 1955 was considerably slowed down. Copper accounted for about three-quarters of the increase in this group. Platinum metals registered a sharp gain and there were higher sales of nickel and electrical apparatus. But there were losses in aluminum, lead, zinc and silver. Chemicals were another major group whose rate of increase fell off. In non-metallic minerals, on the other hand, there was an acceleration of the rapid pace set a year ago. This was of course primarily due to the continued upsurge of petroleum exports to expanding markets in the midwestern and northwestern United States. Sales of crude petroleum had the largest proportionate increase of all commodities—some 285 per cent over the first half of 1955 and almost 1,500 per cent over the corresponding period in 1954. There were also gains in asbestos and abrasives. Iron ore was the other key raw material whose sales continued to expand sharply. The increase accounted for one-third of that in total exports of iron and steel which were substantially higher than in the first half of 1955.

How Imports Increased

Data on commodity imports, which are at present available only for the first five months of 1956, indicate a widely spread increase among all the major groups and principal commodities, with particular emphasis on gains in iron and steel products, which accounted for over 60 per cent of the rise in total imports. The largest absolute increase occurred in non-farm machinery, which was again the largest import category, followed by rolling mill products. Passenger cars, which went down somewhat a year ago, almost trebled in value and trucks more than doubled. The value of pipes, tubes and fittings also almost trebled, with the largest percentage increase of all import items, as a result of the resumption of activity in pipeline construction. There were considerably higher purchases of farm implements and tractors, internal combustion engines, and tools. But substantial increases also appeared in a wide range of commodities, such as coffee, rubber, fibres and textiles, wood and paper, aluminum, brass and copper products, electrical apparatus, clay, glass, coal, petroleum and chemicals.

At the middle of 1956 the outlook was for a continuation of the favourable international and domestic economic climate during the remainder of the year. This seems to indicate a probable further expansion of Canada's foreign trade. ●

Communications in Africa

BETTER COMMUNICATIONS is one of the great needs facing the countries of Africa in their efforts to establish their expanding economies on solid ground.

Evidence of the necessity for improving and enlarging basic equipment, particularly communications, is pointed up in a United Nations *Review of Economic Activity in Africa, 1954-1955,* published during the summer.

According to the review, capital expenditure programs adopted by African countries since World War II are not development plans so much as capital work programs.

Basic in their general aims are first, getting to know more about the resources of each territory, and second, protecting known resources and ensuring the most efficient use of them.

Close behind these fundamental requirements follows the need for better communications. Past, present and future spending programs show that this need is taken very seriously.

Communications ranked high in the $150 million development plan carried out in the British dependent territories. During 1954 port improvements were completed in Nigeria and at Freetown in Sierra Leone; a new airport was opened at Dar-es-Salaam; in Tanganyika the Southern Province railway and the port of Mtwara went into service; so did radio circuits between Nigeria and the U.K. and radio photo-telegraphic circuits between the Gold Coast and the U.K.

In French West Africa, priority was given to improvement and expansion of the road and rail networks. It is expected that diesel locomotives will completely replace steam engines by the end of 1956. Communications was one of the principal fields of investment in French Equatorial Africa, as it was in Algeria. A five-year plan for capital development in Libya, drawn up in 1953, calls for spending some $18 million.

A ten-year development plan for the Belgian Congo, started in 1954, emphasizes communications (particularly rail and water development) in its outline of expenditures of $970 million.

Although $876 million was spent in the last ten years on the railways of the Union of South Africa, they cannot meet the country's transport needs. Requirements have expanded by about 55 per cent since 1945. The Union Government, under a loan from the World Bank, has embarked on a three-year program aimed at extending freight-carrying capacity by some 16 per cent. ●

U.S. Congress Passes Customs Simplification Bill

What will the new Customs Simplification Bill mean to Canadians exporting to the United States? In what way does it change the bases for assessing duty? Will it affect all imports into the U.S.? These and other questions are answered here.

R. G. C. SMITH, *Commercial Counsellor, Washington.*

THE DYING DAYS OF THE LAST SESSION OF CONGRESS saw the passing of the Customs Simplification Bill—a measure that could be of the greatest possible importance to Canadian exporters doing business with the United States. Before the Congress for some time, it was passed with one important amendment and the President signed it into Public Law No. 927 on August 2, 1956.

The principal clauses in the bill deal with the troublesome question of appraisal values on imports. It should simplify considerably the problem of establishing the values for duty purposes of most imports subject to ad valorem rates, and thus accelerate the process of finally clearing goods through the Customs.

In an article in *Foreign Trade* of December 10, 1955, the complicated method used by the U.S. Customs for arriving at the value for duty purposes of imported goods was discussed. In that article I explained that there were a number of bases for assessing duty which had to be considered before the Customs reached a decision. These were: one, foreign value; two, export value; three, U.S. value; four, cost-of-production value. The Customs had to determine, under this procedure, whether the first two could be established and then take whichever was higher. If neither could be established, they considered the third and failing that, the cost-of-production value as a last resort.

The new law does away with foreign value altogether and redefines a number of the factors that narrowed the use of export value. The result is that, for most goods, the export value should approximate the real selling price to the United States importer. However, as I shall explain later, these changes will not come into effect for some time and will not apply to all goods subject to ad valorem rates.

What the New Law Does

By doing away with foreign value, the Customs officers will only be required to determine, in the first instance, if there is an export value. The general definition of export value remains basically the same as before, but because some of the controlling words and phrases (in italics below) have been given new definitions, it has taken on a considerably different meaning. Here is the wording of the relevant section of the Act:

EXPORT VALUE: "For the purposes of this section, the export value of imported merchandise shall be the price, at the time of exportation to the United States of the merchandise undergoing appraisement, at which such or similar merchandise is *freely sold or, in the absence of sales, offered for sale* in the principal markets of the country of exportation, in *the usual wholesale quantities* and in the ordinary course of trade, for exportation to the United States, plus, when not included in such price, the cost of all containers and coverings of whatever nature and all other expenses incidental to placing the merchandise in condition, packed ready for shipment to the United States."

DEFINITION—"Freely . . . offered for sale . . . for exportation to the United States" is now defined as meaning that the goods are offered to (*a*) *"all purchasers at wholesale"*, or (*b*) *"to one or more selected purchasers at wholesale* at a price which fairly represents the market value of the merchandise . . . to the purchaser . . ." Previously, to qualify as "freely offered" it was necessary to show that *any* person who was prepared to buy in wholesale quantities could buy at the price quoted. The new law should make it possible for exporters to set up exclusive distributors in the U.S. and this may be considered to conform with the "freely offered" concept.

Other Definitions

The term "wholesale quantities" is defined in the new law to mean the quantities at which there are the greatest aggregate *value* of sales. That is to say, if a

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manufacturer has, say, 50 export transactions to the U.S. and ten of these are in 100 units at a reduced price and the other 40 are in ten units at a higher unit price, then the 100 units will be considered as the usual wholesale quantity. This is because the aggregate value of the sales of the 1,000 units is greater than the aggregate value of the 400 units (and the lower price would be accepted as the export value). Previously, under such an equation, the price for the ten units would have been taken as the value for duty because there would have been a greater number of transactions in the smaller group—40 against ten.

From these new definitions it will be seen that, except in some extraordinary cases, it should be possible for the Customs to find that export value coincides with the actual price at which goods are sold to United States importers. However, these are such fundamental changes in the Customs law that it is probable that there will be initial delays in arriving at the appraisal of imported goods arising out of the interpretation of the new law. As the intent is to simplify and to eliminate unjust or unnatural appraisals, these amendments should eventually have far-reaching effects in unblocking the channels of trade.

Moreover, the definition of cost-of-production value, which is redesignated "constructed value", has been changed so that instead of requiring that a minimum profit of 8 per cent and general expenses of 10 per cent be used in the calculations, the new formula calls for "an amount for general expenses and profit equal to that usually reflected in sales of merchandise of the same general class or kind as the merchandise undergoing appraisement which are made by producers in the country of exportation, in the usual wholesale quantities and in the ordinary course of trade, for shipment to the United States."

Main Amendment and Its Effect

The main amendment to the original bill established that any product that would be subject to a reduction from its average appraisal during 1954 of 5 per cent or over as a result of this new law would be placed on a public list. Any products so listed would continue to be appraised under the old method.

The Treasury is required as soon as practicable to make a study and to publish a preliminary list in the *Federal Register*. For 60 days after its publication, any manufacturer, producer, or wholesaler in the United States may present to the Treasury his reason for belief that a certain article would now enter at an appraisal of 5 per cent (or more) below the appraisal under the former method. Any such articles may be added to the list after the necessary investigation. When the final list is drawn up, it will be published in the *Federal Register*. Thirty days thereafter, the new method of appraisal will start to operate for those goods not listed.

In drawing up the list, the Treasury will probably use as a basis the study made when the bill was in the Congressional mill. It is impossible to know at this time how many items will be listed, but the staff studies demonstrated that for 1954 only some 13 to 14 per cent of total imports were subject to ad valorem treatment. The breakdown of these imports showed that only a relatively few products would be appraised 5 per cent or more below the figure obtained under the old method.

However, this study dealt to a considerable extent with groups of items (meat products, leather, etc.) whereas it is understood that the final list will show actual items in as much detail as reasonably possible. Nor will the list necessarily include all the items covered by any single paragraph in the Customs Tariff.

Clearly, until the list is published it will be impossible to judge how much it will limit the operation of the new method of appraisal. Nor is it possible to foretell how soon the scheme will be in operation, because much will depend on the number of candidates for listing. Each of these will have to be investigated by the Treasury but the Treasury does not intend to hold public hearings.

Taking the staff study as a basis, it would appear that not many products of major interest to Canada will be listed. Of the items or groups of items shown by the study to be affected by 5 per cent or more under the new appraisal method, the following are of potential interest to Canada: paper and manufactures (actually fractionally under 5 per cent), aluminum and manufactures, copper and manufactures (also just under 5 per cent), nickel and manufactures, vehicles and parts.

It should be emphasized that if a product is listed, its status remains unaffected. However, firms may still deal successfully with the difficulties inherent in the current methods of appraisal in nearly all cases as described in *Foreign Trade* of May 26, 1956.

Australia Lifts Ban on Tourist Films

The Australian Minister for Customs announced on August 20 that the Customs Department will no longer censor movie films taken in Australia by tourists. Previously, Customs officers examined movie films before permitting visitors to take them out of the country; Customs will still have the right to check film when it is considered necessary, but this will not be the general practice.

Italy Looks for Coal and Scrap

Italy now turns out four times as much steel as she did in 1947. Production figures in the other branches of her iron and steel industry have followed a similar pattern. Now, continuation and expansion of her output depend on finding sources of scrap and coke. As Italy turns to the Western Hemisphere, Canadians are finding a bigger market for these raw materials.

W. ROSS VAN, *Commercial Secretary, Rome.*

TO MAINTAIN her impressive postwar upswing in iron and steel output, Italy is looking with increased interest toward the Western Hemisphere for supplies of coal and scrap.

Virtually ruined during World War II, Italy's iron and steel industry has recovered and advanced to new production records. Steel manufacture rose by 23·8 per cent in 1955 to four million tons; this puts Italy in eighth place among the steel-producing countries of the world. And her 1955 increase was greater than that of any other country in the European Coal and Steel Community.

Search for Raw Materials

The Italian iron and steel industry finds raw materials hard to get. They are scarce at home and also among the country's close neighbours. In 1955 more than two million tons of scrap were imported, mostly from the United States, France and West Germany. Canada did get a share of the market, however—112 thousand tons valued at nearly $4 million. Our coke sales to Italy were 11 thousand tons, worth $400 thousand, up from seven thousand tons in 1954.

This year Canadian scrap exports to Italy got off to an early start. In comparison with the first six months of 1954 and 1955, when no sales were made, during the same period of 1956 Canada sold the Italians 11 thousand tons of iron and steel scrap worth $580 thousand.

Production Increases Great

Although 1955 was a banner year for the Italian steel industry in volume of all products turned out, figures show the increases have been fairly steady since 1948. In 1954 steel output was up 54 per cent over 1953.

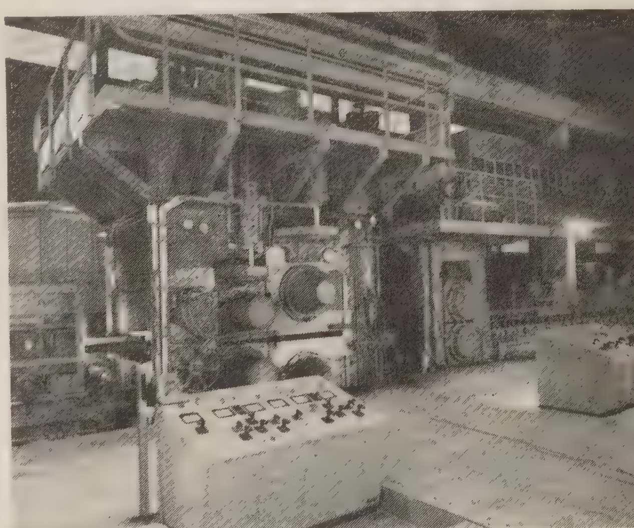
The following table shows the volume of production in alternate years since 1947.

ITALIAN IRON AND STEEL PRODUCTION

(thousands of tons)

	1955	*1953*	*1951*	*1949*	*1947*
Steel	5,400	3,500	3,062	2,055	1,691
Cast iron	1,630	1,222	952	392	318
Rolled iron	4,000	2,495	2,415	1,626	1,284
Ferro-alloys	107	87	96	52	65

During the first five months of 1956, production was greater in most categories, as shown in the following table:



This planetary rolling mill, recently installed in one of Italy's largest steel plants, will reduce heavy steel ingots and roll them into bands of 1 metre width, using one process only.

ITALIAN IRON AND STEEL PRODUCTION

(first five months)
(thousands of tons)

	1956	*1955*
Steel	2,360	2,178
Cast iron	710	630
Rolled iron	1,794	1,636
Ferro-alloys	28	37

Cast Iron

A 30 per cent increase last year in cast iron production over 1954 was due mainly to blast furnace usage and introduction of a second furnace of this type, rather than to electric furnace output. In the latter, production is cut during the winter months because of the shortage of electricity but blast furnaces operate at full capacity.

Of the 1,630 thousand tons of cast iron produced during 1955, 84·6 per cent was blast furnace production with only 15·4 per cent produced by electric furnaces.

In spite of the increased output in 1955 and addition of another blast furnace during early 1956, it is estimated that imports of 400 thousand tons of cast iron will be needed to meet requirements. Most of the cast iron produced is for the steel industry; the rest goes to foundries. The foundries also depend heavily on imported cast iron.

Steel

Even with the new record set in 1955, the steel production capacity of existing Italian plants still is not fully exploited. The consumption of steel in Italy has, for the first time, reached 6·2 million tons, of which 5·7 million is for domestic use—almost 120 kilos per capita. Much of the increase was a direct result of starting up a second blast furnace in Genoa at the most important "complete cycle" steelworks in Italy. Production at this plant in 1955 approximated 650 thousand tons, almost double that of the previous year, and capacity is expected to be raised to 750 thousand tons a year within the next few years.

Of the 5·4 million tons of steel produced during 1955, the following processes contributed these percentages of total production: Martin furnace 57·3 per cent, electric furnace 36 per cent, and Bessemer converter 6·7 per cent.

Rolled Iron and Iron Alloys

With an increasing domestic demand and the continuing modernization and extension of plant facilities, production of rolled iron products during 1955 totalled four million tons, an increase of 27 per cent over 1954. Production still is not sufficient to meet the needs of various branches of industry, including automotive and shipbuilding. At the end of 1955 orders on hand reached a million tons, compared with 669 thousand tons at the end of 1954. This includes export orders. Consequently, there has been a tendency towards increased imports.

The following table gives a breakdown of rolled iron products:

Type	*% increase over 1954*	*% 1955 production*
Profile iron bar and plate	+18·0	38·4
Bars	+33·9	10·6
Flat products	+48·6	34·6
Pipes	+29·4	13·2
Rail tracks, girders and wheels	−14·7	3·2
Total rolled iron output	+27·0	100·0

Recently built in Turin is a planetary rolling mill spoken of as "the world's largest". It was built by an Italian firm in conjunction with a U.S. organization, and will manufacture under licence. In a single operation, heavy steel ingots will be reduced and transformed into thin sheets of up to one metre in width. The present average annual production estimates are set at 250 thousand tons. It is hoped that this amount will eventually be doubled. Production from this new mill will do much to fill the present gap and may some day provide exports as well.

Production of iron alloys during 1955, at 107 thousand tons, 17 per cent over 1954, exceeded the previous peak reached in 1952 by 4,000 tons. Exports contributed to the maintenance of a high production; they exceeded imports by 2·2 thousand tons.

Year	*Production*	*Import*	*Export*
1954	89,169	6,424	10,574
1955	107,000	10,000	12,200

Exports consist almost entirely of iron silica, 11 per cent of the total production. West Germany, Austria, Australia and Czechoslovakia are the principal markets.

Two-Way Trade

The table below gives comparative statistics on the two-way trade in iron and steel products for the years 1953 to 1955 inclusive:

EXPORTS

(thousands of tons)

Products	*1953*	*1954*	*1955*
Pig iron	....	....	....
Ferro-alloys	5·3	10·6	12·5
Steel			
Semi-finished	42·2	39·5	27·0
Hot rolled	116·2	155·9	328·0
Secondary products	10·4	15·3	25·0
Raw materials			
Iron ore	4·0	1·0	40·0
Pyrites	60·0	115·0	110·0
Pyrite cinders	433·6	397·0	330·0
Steel and iron scrap	....	....	....
Coal	....	....	....

IMPORTS

(thousands of tons)

Products	*1953*	*1954*	*1955*
Pig iron	96·7	223·3	350·0
Ferro-alloys	5·9	6·4	10·5
Steel			
Semi-finished	151·3	173·8	160·0
Hot rolled	477·1	499·9	412·0
Secondary products	29·7	27·8	29·0
Raw materials			
Iron ore	733·9	632·6	800·0
Pyrites	115·0	137·3	190·0
Pyrite cinders	....	....	......
Steel and iron scrap	1,025·7	1,489·6	2,200·0
Coal	9,049·0	9,569·0	10,500·0

The principal categories of steel imports, apart from mild steel, include silicon sheets, deep drawing sheets, stainless steel in all forms, high special steel and die block steels. The major supplying countries are West Germany, Austria, Sweden, the United Kingdom, the United States and Canada. A number of stainless steel products originating from hard currency areas are subject to quantitative quota.

Its difficulties in obtaining supplies of iron ore and coal mean that Italy tends to look with increased interest to Western Hemisphere sources of supply. Process and transport costs, however, will be deciding factors in determining how much of the Italian market these sources obtain.

transportation notes

Traffic through the Suez Canal

THE 86 YEARS since the Suez Canal was opened have witnessed many changes both in the Canal itself and in the traffic passing through it. In 1871, a vessel took, on the average, 41 hours to make the journey; today it takes only about 13 hours. The appearance of larger ships has compelled the deepening of the Canal and the increase in traffic has made other improvements necessary to boost its daily capacity. Transit dues have been reduced no less than 26 times; today they are barely a third as large as in the 1870's. The type of freight carried through the Canal has also altered considerably—a reflection of economic changes in many countries.

The Canal is about 100 miles long and more than 394 feet wide on the surface throughout its length; the depth is not less than 38 ft. 4½ in. at the lowest tides, thus providing a safety margin for vessels drawing 34 ft., the present maximum draught. (Originally it was only 17 to 18 ft. but by 1875 it had been deepened to 26 ft. 3 in.) Its width, measured (as is customary today) at a depth of 32 ft. 10 in., is nowhere less than 197 feet. This is, however, not wide enough to allow large ships to pass under way, except in certain sections. The result is that each day, at fixed times, two convoys leave Port Said and Port Tewfik, at opposite ends of the Canal, passing each other in the Great Bitter Lake or in the bypass recently constructed to the south of Kantara.

Traffic Is Increasing

In 1955, the number of ships a day passing through the Canal averaged 40; it is expected to rise to about 45 within a few years. But because the actual number of ships arriving at the two ends of the Canal varies considerably from one day to another, a traffic of 60 ships a day will have to be provided for within the near future. The total number of transits a year has increased from 11,694 in 1951 to 14,666 in 1955. The annual number of transits in each direction has been almost equal in the last few years.

The dimensions of ships using the Canal have also increased notably and the proportion of large tankers is rising fast. From 1946 to 1955, more than half of the 106 thousand vessels (65·5 per cent of total traffic) which passed through the Canal were tankers. The taxed tonnage has increased

during the last five years from 80·3 million tons in 1951 to 115·8 million tons in 1955. These facts mean that a further increase in capacity and enlargement of the waterway are urgent problems. A program is under way to boost the Canal's capacity to 45 to 50 passages a day and allow for vessels of 36-foot draught.

The following table shows how the traffic has increased:

SUEZ CANAL TRAFFIC

Year	*Number of Transits*	*Taxed Tonnage in '000 of tons*	*Number of Passenger Liners in '000*
1870	486	436	26
1938	6,171	34,418	479
1950	11,751	81,795	664
1951	11,694	80,356	588
1952	12,168	86,137	571
1953	12,731	92,905	554
1954	13,215	102,493	537
1955	14,666	115,756	502

The participation in the total traffic for 1955 by areas south of the Canal was: Persian Gulf 62·3 per cent; Red Sea and Aden 3 per cent; East African coast 3 per cent; India, Pakistan, Burma and Ceylon 11 per cent; Malaysia and Sonde Islands 7 per cent; Australasia 5 per cent, and Far East 7 per cent. The participation in the total traffic for 1955 by areas north of Port Said was: Europe 84·5 per cent, American continent 12 per cent.

Vessels of 48 countries used the Canal in 1955, or about one-third of the total gross tonnage of the world's commercial fleet and half of its tanker fleet.

The following table shows the flag distribution (in percentages) for a number of countries:

Year	Britain	Norway	France	Italy	Netherlands	Sweden	United States	Other
	%	%	%	%	%	%	%	%
1870-1880	76·1	0·4	8·3	2·7	4·1	0·1	0·1	8·2
1913	60·2	0·5	4·7	1·5	6·4	0·6	—	26·1
1938	50·4	4·3	5·1	13·4	8·8	0·9	1·1	16·0
1950	32·5	14·1	7·7	6·5	5·5	2·6	10·2	20·9
1951	33·5	14·1	8·2	6·1	4·7	2·4	9·8	21·2
1952	33·3	15·7	9·0	5·4	4·5	3·0	7·3	21·8
1953	33·3	15·0	9·1	5·4	4·6	3·4	4·4	24·4
1954	32·1	14·0	9·2	6·8	4·5	3·5	3·0	26·9
1955	28·3	13·5	9·4	8·0	4·1	3·3	2·7	30·7

The increasing production of oil has shifted the centre of gravity in the Canal traffic from India to the Middle East. The following table shows the traffic in southbound and northbound goods over a number of years:

GOODS' TRAFFIC

('000 tons)

Year	Southbound	Northbound	Total
1910	8,429	14,006	22,435
1938	7,768	21,011	28,779
1950	12,141	60,468	72,609
1951	17,420	59,333	76,753
1952	22,001	61,447	83,448
1953	22,518	67,881	90,399
1954	22,370	74,511	96,881
1955	20,082	87,426	107,508

North and South Traffic

The goods traffic from 1913 to 1955 has been characterized by an increase of south-north traffic over north-south traffic. The former represented 53 per cent of the total in 1920, 67 per cent in 1930, and 81 per cent in 1955. Southbound traffic increased from 6·3 million tons in 1920 to 20·1 million tons in 1955; northbound traffic shot up from 10·7 million tons in 1920 to 87·4 million tons in 1955.

An analysis of southbound traffic for the last five years shows that the movement of cement, minerals and chemical fertilizers increased by two-and-a-half times. The movement of cereals and cereal products reflects lower demand by the East in the last two years compared with 1951-53. The movement of oil (mainly refined) fluctuated widely as a result of the temporary closing of the Abadan refinery, when other sources had to meet demand in India and the Far Eastern countries, and has also been influenced by the recent opening of the Aden refinery. The movement of paper and wood pulp has been slightly higher but coal and coke traffic has fallen off. Important tonnages of machinery, railway equipment, vehicles, worked metals and chemicals move through the Canal. The item "other products" increased in importance during this period as a natural outcome of the diversity of western production. It accounted for over 35 per cent of the total southbound traffic in 1955.

An analysis of northbound traffic for the last five years shows increasing movement of oil and by-products, ores and metals. Oil and by-products (mainly crude) increased from 42·8 million tons in 1951 to 66·9 million tons in 1955. Shipments from Kuwait in 1955 represented over 70 per cent of total crude oil traffic. The remainder comes from Saudi Arabia, Iran, Iraq, Qatar, Bahrein, etc. Northbound oil is mainly destined for the United Kingdom (20·5 million tons in 1955), France (12·1 million tons), the United States (8·6 million tons), Italy (7·3 million tons) and the Netherlands (7·2 million tons). The item "other products" has also

increased in importance. It includes mainly rubber, iron, manganese, zinc, titanium and chrome ores, fruit, tea, jute manufactures, sisal, wheat, rice, oil-seeds, vegetable oils, and wool.

Transit dues were originally fixed at 10 gold francs per passenger and per registered ton. These rates have been gradually brought down and since 1951 have been 36·5 francs per ton. Other reductions of lesser importance have been granted in recent years, such as the abolition of dues on passengers. Since 1874 dues have been charged on the net tonnage, calculated in accordance with the rules laid down in 1873 by the Constantinople International Commission.

—M. R. M. DALE,
Commercial Secretary, Cairo.

Greece

AIR TRANSPORT—A contract was concluded between the Greek Government and Greek-born shipowner Onassis on August 2, whereby Mr. Onassis will buy the sequestered Hellenic Air Lines and reorganize and extend the service both within Greece and on ten routes abroad, including North America. The contract further provides for the establishment by the concessionaire of an overhaul base capable of servicing both Greek and transit planes, and the purchase of a minimum of 3 four-engine DC-7's and 3 two-engine Convairs or, alternatively, 2 four-engine DC-6's. Onassis will invest $15 million in this project and has agreed to a 2·50 per cent state tax being levied on the gross proceeds of the new corporation—Athens, Aug. 7.

India

RADAR FOR HARBOURS—The Indian Lighthouse Department has placed a contract for the supply and installation of a Decca-type 32 harbour radar at the new port of Kandla on the coast of Saurashtra. The Department is also planning to instal radar in lighthouses to assist navigation in coastal waters. Decca type 30-A harbour radar has already been chosen for the first stage of this new development program, and will be fitted in the lighthouses at the approaches to Calcutta and Bombay—New Delhi, Aug. 13.

Italy

TRAFFIC IN GENOA—A total of 14,306 vessels with a net tonnage of 33,771,990 tons entered and left Genoa in 1955. The average daily number of entries and departures in this period was reckoned at 40, compared with 38 in 1954. Goods landed and loaded in 1955 totalled 12,054,349 tons, an increase of more than 19 per cent over the previous year—Rome, Aug. 16.

New Zealand

PACIFIC FREIGHT RATES—The Montreal, Australia and New Zealand Line has announced a 12½ per cent increase in northbound freight rates from Australian and New Zealand ports to the east coast of the United States and Canada. The increase on general cargo from Australia becomes effective on August 20, and on similar cargo from New Zealand from October 1, 1956. This freight rate increase, the second in 12 months, applies generally to non-refrigerated cargo and naturally has caused some concern in agricultural circles in both countries. The increase will, particularly in the case of New Zealand, affect shipments of casein to the United States. Officials of the shipping line have stated that rising costs in maintaining services make the adjustments necessary—Wellington, Aug. 15.

Northern Ireland

SHIPS AND AIRCRAFT—Latest order received by the Belfast shipyard is for a 43,000-ton tanker for a Norwegian company, with delivery scheduled for 1960. British shipping lines are expected to place contracts for other large passenger ships; one company has tendered for at least one of these. The Belfast aircraft factory has also received an order for five Bristol Britannia airliners for Canadian Pacific Air Lines—Belfast, Aug. 17.

South West Africa

IMPROVING COMMUNICATIONS—Some progress has been made in improving the transportation bottleneck in this area. Plans have been announced for the purchase of new rolling stock, strengthening and re-laying of railway lines, and the expansion of the harbour at Walvis Bay. In addition, an amount of over £200 thousand has been allocated in the territorial budget for the purchase of heavy machinery to be used in tarring the main roads, none of which are hard-surface. Unfortunately no decision has been announced about the widening of the narrow-gauge railway to the mining area, a project which is becoming more urgent.

The extension of the present wharf at Walvis Bay by 1,300 feet will double the capacity of the harbour and permit it to berth six ocean-going vessels at a time. The urgent necessity for this can be seen in the increase in the totals for tonnage handled during the past three years. The figures for 1953 to 1955 (in that order) are: 492,825 tons, 497,857 tons, 600,139 tons—Cape Town, Aug. 10.

Planning a Business Trip Abroad

Some exporters hesitate to undertake a visit to foreign markets because it takes planning. This article—fourteenth in our series on the techniques of export trade—shows how the experienced travel agent can relieve the prospective traveller of time-consuming detail and smooth his path.

L. C. TOMBS, *Vice-President, Guy Tombs Limited.*

BUSINESS TRAVEL IN FOREIGN COUNTRIES differs in two respects from pleasure travel—although some businessmen can plan journeys that are a happy combination of business and pleasure. Destination is one difference. For example, the banker or the exporter figure largely in travel to South America, although far fewer tourists go to this area than to Mexico or the West Indies. Except for a limited number of South American cruises, a travel agent is seldom asked to book a passenger to Colombia, Chile or Argentina unless his client is engaged in business or is an official of government or an international organization.

Documents Need Careful Attention

The second difference between travelling on business and on holiday lies in the documents which the traveller must carry. Many of the Latin American countries, for example, have elaborate and exacting regulations about the variety of documents which the visitor—and especially one bent on business—must have to enter. In addition, the length of the forms and the number of copies often prove irksome.

For example, one Latin American country issues tourist cards to Canadians at a cost of $3.00, without pictures, plus passport. (Naturally the visitor will carry his Canadian passport.) An exporter, however, must apply in person for his "business card" two weeks in advance and must explain the nature and the length of his intended visit. This business card can cost him from $3.00 to $40.00, or even up to $100.00. In addition, he must supply five profile and eight full-face pictures, or a total of 13. Not every Latin American country makes things so difficult. One, for instance, issues tourist cards at $2.00 to both Canadian tourists and businessmen and does not require either a passport or pictures.

The regulations, indeed, vary from severity to definite liberality. Canadians may visit Bermuda, the Bahamas, the British West Indies, and British Guiana without passports, provided that they carry suitable identification. The Western European countries—with the exception of Iceland, Finland, Portugal, and Spain—do not require visas from Canadian visitors; Turkey and Yugoslavia do.

It is difficult to be dogmatic about this matter of documents, because the situation is always changing. Some countries—and they are not all in Latin America—ask the businessman to produce a police certificate, letters of recommendation, or other documents which are described in the box feature on page 15. The trend today in Latin America appears to be towards substituting tourist cards for visas, or for passports and visas. Occasionally, travellers engaged in business have entered certain Latin American countries equipped only with tourist cards, but this practice is not recommended. A prospective traveller should check carefully with the representatives of the countries which he intends to visit about the documents which he will need, or rely upon the travel agency to check and recheck visa and other requirements. This is the only safe way to proceed.

Situation Will Improve

The business traveller who has already had experience with involved documentary requirements will be interested to hear that various organizations are working for the simplification, standardization, and above all, the reduction in the number of "national" travel documents. For example, the International Air Transport Association and the International Civil Aviation Organization have attacked persistently the red tape

frequently encountered by airline passengers. With the help of other international bodies, governments, and professional associations, this campaign is meeting with some success.

One encouraging development took place at the Sixth Inter-American Travel Congress held in Costa Rica last April. There the representatives of 19 of the 21 American republics unanimously adopted (subject to ratification) a series of far-reaching resolutions. One of these called for the reduction of documentary requirements for travel between their countries to three basic papers—proof of identity and nationality, a simple embarkation-debarkation form for statistical purposes, and the international certificate of vaccination.

Because the man travelling on business often must go to countries off the tourist track, because he must comply with these exacting documentary regulations, and because his time is valuable, he frequently turns to the authorized travel agent to help him plan his trip. The agent works hand in hand with the steamship lines, the airlines, and the commercial and resort hotels. Just how many people turn to the travel agent to do their planning for them was revealed in testimony before the Civil Aeronautics Board in Washington and New York several years ago, when it was stated that agents make 50 to 85 per cent of transatlantic air bookings. The same applies to steamship bookings. An official spokesman for the Trans-Atlantic Passenger Conference (which includes the principal Atlantic and Mediterranean steamship lines) remarked recently that "on the North American continent, more than three-quarters of the transatlantic steamship tickets are sold through the medium of travel agents".

Passports and Visas . . . a Few Pointers

THE TRAVELLER to foreign countries will find that many procedures are common to most countries—for example, a passport. But as he travels from place to place he is apt to find certain regulations that are peculiar to only one country. There are two important principles to follow:

One, find out the proper procedure from the Mission in Canada of the country you plan to visit, and two, do not plan any trip at the last moment or you may be disappointed. You must obtain passports, health documents and visas and these may take longer to complete than you think. Some foreign governments require their officers in Canada to check with the home office before issuing a visa to a businessman; this could mean a delay of weeks.

To avoid embarrassing situations and annoying delays, be sure to check regulations ahead of time. Here are a few to keep in mind:

- *Carry a valid Canadian passport; most foreign countries require it. One notable exception, of course, is visits to the United States where proof of identity and of Canadian citizenship are the only requirements for a stay up to six months. (If you wish information about passports and visas for various destinations, write to the Passport Officer, Department of External Affairs, 40 Bank Street, Ottawa.)*

- *Obtain all the necessary health documents or valid immunization certificates for each country you will visit. (For details see box feature on page 16.)*

- *If entry visas are required, obtain them from the Mission in Canada of the countries concerned. In some cases the traveller may have to carry a transit visa to pass through a country to and from his final destination; these also are available from consulates in Canada.*

- *For leaving most countries, presentation of a passport at the border is usually sufficient. Some countries require an exit visa as proof to border authorities that the traveller has no financial or tax obligations and has committed no crimes during his visit.*

- *Some countries require a business card, or subject the business visitor to additional forms and procedures: be sure to inform foreign government officers of the purpose of your visit so that there will be no misunderstanding later.*

- *Become acquainted with customs' requirements and regulations covering currency brought in or taken out of the country, travellers' samples, and so on. You should also investigate local income tax regulations as they affect the taking of orders during your stay in the country.*

N.B.: When you apply for a visa you usually have to show a valid passport; proof of financial means or sponsorship by a citizen for the time you will be in the country; a return travel ticket or a ticket for a country beyond; in some cases, proof of good character and good health; and any valid international vaccination certificates required.

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An efficient and well-established travel agent is in an excellent position to provide his client with objective, experienced service. He can advise him about alternative carriers and routes, draw up precise itineraries, book transportation (including car purchase or hire), reserve hotel rooms and, if necessary, arrange for meals, transfers, etc. He can provide the answers to the businessman's questions about passports, visas, currency, tipping, and photography. He can suggest the best seasons to visit certain countries and the proper clothing to pack. He can look after baggage and the forwarding of exporters' samples. The inexperienced traveller who tries to look after all these details himself often ends up thoroughly confused or finds he has paid out a good deal of money for rather unsatisfactory arrangements. He may, for one thing, arrive in a strange country only to find that all the hotels in the city he wants to visit are jammed. The business traveller particularly, who wants to make every moment count, cannot risk delays and confusion.

What about Fees?

In most cases, the travel agency does not charge the traveller for its services. Instead, it receives its modest commissions from the airline or the steamship company, and the rate of commission is fixed by the respective Conferences. He charges his client exactly the tariff fare. (British and European railways also pay a commission on bookings to agents in the Western Hemisphere.) Nor does the agent charge for consultation. He does, however, charge a small fee in certain cases:

1. When he is asked to set up a conducted "package" tour for a group.

2. When he must plan and arrange a tailor-made "foreign independent tour", which involves a great deal of additional work.

3. In booking certain hotels. This small service fee is necessary because the country concerned either does not permit the transfer of commission funds abroad, or because many hotels do not make a practice of paying commissions to agents.

Most travel agents belong to the American Society of Travel Agents (ASTA) which has a world-wide membership of over 3,000—including, as "allied members", transportation companies, numerous hotels, public relations and advertising firms, and representatives of many government tourist bureaux. The 1,200 active members of ASTA (that is, American and Canadian travel agency members) solicit and process about 90 per cent of travel agency bookings in North America and ASTA membership has become a guarantee that the client will receive good service.

Healthy and Wise . . .

VALID HEALTH CERTIFICATES are a necessity for a trip abroad and the wise traveller inquires well in advance about the documents he should carry and the inoculations he will need. The regulations vary widely from country to country, but here is a brief outline of the more common requirements. The traveller should, however, check with an authorized travel agency or with the Quarantine Service of the Department of National Health and Welfare or with foreign government representative before making final plans.

Health Documents

- *International Certificates of Vaccination—the only form of vaccination certificate which is recognized by all countries. These must be completed and signed by your doctor, then stamped by some recognized government health authority (federal, provincial, or municipal) to make them valid.*

Smallpox—carry proof of vaccination within the past three years. Although you may visit some countries in Europe without it, you cannot return to Canada without being vaccinated before you land. Most countries, however, require smallpox vaccination certificates.

Yellow fever—many countries require the traveller to show a certificate of vaccination against yellow fever if there is a possibility that he has been exposed. Regulations covering air travellers are strict in several countries and notably India, Pakistan and Ceylon which impose nine-day isolation on all air visitors who fail to present a valid vaccination certificate. There are two yellow fever zones: in Africa, the area between the Union of South Africa and countries bordering on the Mediterranean; in the Americas, all countries between a line drawn from Honduras to Tobago and as far south as southeastern Brazil and Bolivia. Worst yellow fever areas in each zone are in the tropical forest regions. Vaccination for yellow fever is administered at special centres in Canada by the Department of National Health and Welfare.

Cholera—a certificate is required by India, East Pakistan, Burma, China, and other parts of South East Asia where there have been severe outbreaks in recent years. The vaccination is good for six months but a booster shot should be obtained every four to six

...rd to the Traveller

...nonths, or as long as you are in an area where there is any danger of infection. Persons entering Canada from an infected area require a valid certificate.

- *Personal Health Certificates—several countries in Latin America require a health certificate signed by a doctor and approved by a Canadian health authority before granting extended visas or resident privileges. Brazil still requires all travellers to present a certificate on a consular form filled out by a physician designated by the Brazilian Missions in each country.*

To Protect Your Health

Although no country requires vaccination certificates for the following diseases, the traveller should make sure he is protected when necessary against:

- *Typhoid and paratyphoid fever (strongly recommended for foreign travel).*
- *Tetanus (for protection in case of accident).*
- *Typhus (borne by lice, usually in areas where living conditions are poor; freedom from infestation is best protection but vaccine is used).*
- *Diphtheria (if not immune as indicated by the Schick test).*
- *Plague (only if there is an epidemic in the country the traveller expects to visit).*

Canadian travellers going to or coming from Alaska, the Bahamas, Bermuda, Cuba, Greenland, Hawaii, Iceland, Jamaica, Panama, Canal Zone, Puerto Rico, St. Pierre and Miquelon, the United States, and the Virgin Islands are not required to carry smallpox certificates nor any other proof of vaccination. Persons arriving in Canada from an area of a country where yellow fever is reported are required to show proof of yellow fever vaccination if headed for a yellow fever receptive area in the United States.

Material used in this box feature was supplied by the Department of National Health and Welfare, and for the feature on page 15 by the Department of External Affairs—Editor.

Out of long experience in the planning of trips for business and other travellers, I am setting out a few simple but important details which the businessman going abroad should watch:

1. Be sure to allow sufficient time to complete visa and other documentation for certain countries.

2. If you are going to Europe or travelling across the Atlantic, book your westbound Atlantic steamship passage or your return air passage before you leave Canada. This is especially important if you are travelling by ship.

3. Check and confirm all connections and transfers *in good time* while you are travelling.

4. Reconfirm your various air reservations according to the instructions printed on your ticket and in the timetables. (Your agent should remind you to do this.)

5. Reserve British and Continental hotels well in advance during the late spring, summer, and early autumn—several months in advance, if this is feasible. In London and Paris, where the hotel situation is always very tight, bookings should be made well ahead at any time of year. This also applies to the busy seasons in South America, Bermuda, and the West Indies.

For Australia, New Zealand, the Philippines, Japan, Hong Kong, Indonesia, Singapore, India, Pakistan, the Middle East, and for Africa, reservations in advance are absolutely essential. The numbers and size of reasonably good hotels in these areas are limited and the businessman must have *confirmed* reservations, made normally at least two months before arrival. The transportation companies, the agents, and the travel trade organizations continue to feel concern over the availability of hotel space outside the Western Hemisphere.

6. Carry travellers' cheques in American dollars, and also take with you some American bills and, if possible, small amounts of the currencies of the countries you will be visiting. In most European countries, the traveller can purchase local currency at frontier airports. These exchange offices will usually take any excess of the currency of the previous country visited.

7. Take sensibly light but durable baggage, especially if you are going by air.

8. If you wish either to purchase or hire a car for use on the Continent or in Britain or elsewhere, or to ship your own car, check with your travel agent about procedure.

9. Inquire about the seasons in the countries you plan to visit and adapt your clothing to the climate.●

They've Tried It

. . . and It Works

Does a business trip abroad really pay off in orders? It does, say the export managers of three Canadian companies, interviewed by "Foreign Trade"—if the traveller spends his time to best advantage. Here is their advice to the exporter embarking upon a first foreign visit.

O. MARY HILL, *Editor, "Foreign Trade".*

A VISIT TO FOREIGN MARKETS helps the exporter to establish personal relations with agents and with customers, gives him an insight into buying habits and marketing practices, and increases his sales. But these results only follow if the traveller does some fact-finding first and then uses his time to advantage.

That's the considered judgment of the export managers of three Canadian companies interviewed by *Foreign Trade*. Each company sells a different type of product; their markets and their approach vary. But each of them is convinced that personal selling pays.

A. C. Bornemisa, Manager of the International Division of Canadian Canners Limited, has in the last two years visited some 20 countries in Central and South America, the Caribbean, and Europe. Philip Sanford, export manager of the Arborite Company Limited, has in the same space of time travelled in Africa, the Middle East, and Latin America. William E. Lett, export manager for Noranda Copper and Brass since 1952, has concentrated his journeys in Latin America, where sales opportunities for his company's products appear most rewarding.

From our talks with these advocates of "seeing for yourself", we emerged with some sound advice which the prospective traveller might bear in mind.

(1) *Plan to spend some time on research before you set out.* Read all you can about each country, its economy and its people, before you leave. This will prepare you to talk to businessmen there. Study statistics on the markets you intend to visit. Find out what your competitors are selling there and at what price. The best way to do the latter is to send your price list to the Trade Commissioners in the countries you plan to visit, asking them to check it against competing products. Mr. Bornemisa follows this practice. He also works out in advance the laid-down costs of his merchandise in the currency of each area, and the freight rates from Canadian port to the various ports of destination.

(2) *Make your arrangements and your reservations well in advance.* This includes writing in good time to the Trade Commissioner asking him to arrange appointments. Two of the men we interviewed leave it to the Trade Commissioner to make hotel reservations for them; the third prefers to do it himself. Tell the Trade Commissioner how many days you plan to spend in his territory and whether you wish to interview prospective agents or customers or both. Tell him what your problems are so that he can do some thinking about them before you arrive. It is also a sound idea to carry with you introductory letters from your Canadian bank to its foreign correspondents. Such letters may help in obtaining useful introductions and commercial references.

If you already have an agent in the territory, write him about your plans well in advance also.

(3) *Don't operate on too tight a schedule.* It is wise, especially if you are travelling by air, to allow a little leeway to take care of unexpected delays. Mr. Sanford suggests spending a *minimum* of one week in each major market and at least two clear working days in any place which you visit on business. It's important too to check with the Trade Commissioner or your local agent about holidays in the various countries. Not knowing about them can disrupt a carefully planned trip.

(4) *Take some sales aids with you.* Mr. Bornemisa, who sells canned foods, sends some samples of his line in advance to each point on his itinerary. Mr. Sanford, of Arborite, follows this practice too and also takes descriptive literature—if possible, in the language of the country he is visiting—plus pictures

in both colour and black and white of various ways in which Arborite can be used. In sending samples to the Trade Commissioner, be sure to authorize him to clear them through Customs and pay the duty, making it plain that you will reimburse him.

(5) *Stay at first-class hotels and entertain your customers in proper style.* This applies also to government officials with whom you may be talking business. Mr. Lett points out that this is particularly important in Latin American countries. The formality of an office visit gives way to a more relaxed atmosphere, conversation is less hurried, and there is time for the visitor and his guest to get better acquainted.

(6) *On a first trip, or if you are pressed for time, concentrate on choosing and training agents.* Try to find out how the agent is regarded by the business community and whether he already has contacts in your line of business. Make your own estimate of his personality. Mr. Bornemisa makes it a practice not only to become acquainted with the top executives in the agency he selects but also with the sales force, who are directly concerned with moving his merchandise and may need help with selling problems.

(7) *If possible, call on present or prospective customers with your agent.* Calling on all of them may not be feasible in one short visit, but a few should be selected and called upon during each trip. It is important, says Mr. Lett, to see any who have complaints or who have encountered problems in using your product. A talk face-to-face usually minimizes the complaint and straightens out matters quickly.

(8) *Don't try to cover too much ground in one trip.* If you are a beginner in export trade, it is usually better to concentrate on one area and get your sales there well organized. Then investigate additional markets.

(9) *Follow up on your visits promptly and carefully.* Make sure that the businessmen on whom you call receive quickly any literature, samples or other information which they request. Mr. Sanford carries a dictaphone with him and every day or two dictates reports, requests for samples, and so on. He then airmails the dictation to home office, which carries out instructions immediately.

(10) *Make personal selling trips a continuing assignment.* For best results, these seasoned business travellers say, you should revisit an active market every year, particularly when it promises well and is reasonably accessible. Once business is going smoothly and your representatives there are able to manage by themselves, your visits can be less frequent (say every two or three years) and you can turn your attention to other areas.●

Portugal's Trade in Cork

ALTHOUGH PORTUGAL IS A SMALL COUNTRY, 60 per cent of the world's cork originates there, because it is the natural habitat of the cork oak. During 1955 the production of "amadia" (raw cork) totalled 192,000 tons and that of "virgem" (virgin cork) 67,000 tons; total value was $32 million. This compares with 1954 production of 141,000 tons of raw cork and 56,000 tons of virgin cork, worth $18 million.

Last year exports were the highest on record both in quantity and value. Portugal exported about 7,600 tons more cork than in 1954 153,518 tons); the value increased by over 280,000 contos ($8·5 million) from the 1954 total of 1,425 thousand contos, reflecting a rise of nearly 20 per cent in prices.

Women in a Portuguese factory at work selecting and grading corks, a first step in preparing them for export.

Exports of raw materials (virgin, "refugo" shavings, and corkwood) in 1955 rose from 114,767 tons to 123,246 tons, an increase of about 7 per cent over 1954; exports of manufactured and semi-manufactured cork products declined slightly from 38,751 to 37,958 tons.

Biggest customer is the United States, which imported 52,142 tons of Portuguese cork last year, followed by Great Britain (26,978 tons), Germany (13,694 tons), Argentina (10,891 tons) and Russia (6,668 tons). Canada imported 2,015 tons of cork last year direct from Portugal, 49 per cent less than the year before. As the U.S. boosted her imports by 6,509 tons at the same time, some of this cork probably found its way to Canada in shipments by American parent companies to Canadian subsidiaries.

—RICHARD GREW,
Commercial Counsellor, Lisbon.

commodity notes

Australia

AUTOMOBILES—Motor car manufacturers are showing signs of developing export markets worth over £5·0 million annually, the Acting Minister of Trade reported at the inauguration of an export department by a well-known Australian automobile company. The Acting Minister said that almost immediately the value of exports of Australian-made motor vehicles to New Zealand would rise to about £2·0 million a year; he was commenting on the news that the N.Z. Government had issued licences which would enable an additional 1,750 Australian motor vehicles to be exported to the Dominion this year. The government official complimented the company for intending to use its new export department to develop markets in New Zealand and in South-East Asia, areas where Australia enjoyed a geographical advantage—Melbourne, Aug. 13.

Austria

PETROLEUM, NATURAL GAS—During the first five months of 1956 Austria's oil production amounted to 1,444,199 metric tons compared with 1,492,021 tons during the same period of 1955. For the first time West Germany's oil production, at 295,840 metric tons in May, nearly equalled Austria's production in the same month amounting to 296,132 tons. Austrians fear they may lose first position in oil production in western Europe to the German Federal Republic. Austrian natural gas output increased slightly from 311·3 million cubic metres in the first five months of 1955 to 320·3 million cubic metres during the same period this year—Berne, Aug. 10.

France

POLYSTYRENE—A Paris company has announced the conclusion of a contract with an American producer for the manufacture of polystyrene in France. Details of the volume of production and date on which operations will commence have not yet been announced—Paris, Aug. 15.

SYNTHETIC RUBBER—A group of ten major French chemical and rubber manufacturers has announced formation of a company which will build a butyl rubber plant near Le Havre, France. This plant, which will have a rated capacity of 20,000 tons of butyl rubber per year, is expected to be in production by the end of 1958. It is reported that the capacity of this first butyl producer outside North America will be sufficient to meet the needs of the French rubber industry and during the next few years there will be a surplus available for export—Paris, Aug. 16.

Greenland

REFINED ORE—After more than eight years of preparatory work and investment of 30 million D. kr., the first deliveries of refined ore from the collieries at Mesters Vig in East Greenland are now ready for shipment. Because of the difficult and expensive transportation involved, the ore cannot be exported in the crude state but must be refined before it leaves Greenland. The first shipment consists of 2,000 tons of refined ore and has been sold to Belgium, where it will be converted into pure lead and zinc. On the basis of present world prices it is estimated that the total output of the deposits will be worth about 130 million D. kr. It is hoped that other deposits of similar or more precious metals can be found—Copenhagen, Aug. 14.

Indonesia

SUGAR—Indonesia's sugar production for 1956 is estimated at 900 thousand tons, compared with 851 thousand tons in 1955. Exports of sugar are expected to exceed the 1955 figure of 275 thousand tons—Djakarta, Aug. 13.

Kenya

PYRETHRUM—Pyrethrum growers in Kenya have been enjoying a prosperous season. Owing to heavy rainfall early in the year, production is well above that of 1955; yields are 1,763 tons compared with 1,186 tons for the first five months. The planting of new acreages has continued and it is expected that

he acreage under pyrethrum will be 20 per cent higher than last year. Firm contracts for 1,333 tons of flowers and 66,500 pounds of extract, with a total value of $1·6 million, have been secured for the sales year from July 1 this year to June 30 next year; this is an enormous jump over the previous year's sales of $200 thousand—Salisbury, Aug. 7.

Malaya

STEEL MILL—A steel rolling mill soon will begin production of steel for building projects. For raw material the company will use scrap steel which Singapore and the Federation have been exporting to Hong Kong and Japan at the rate of 20,000 tons per year. The new firm brought 17 technicians from Hong Kong to operate the mill, located on the outskirts of the city of Singapore. Production is expected to be 4,000 tons the first year, 7,000 the second and 10,000 tons in the third year. The small rolling mill was imported from Hong Kong and the company will use it to re-roll local scrap as well as imported scrap from Indonesia and other neighbouring countries—Singapore, Aug. 8.

New Zealand

WOOD PULP—Expansion of New Zealand's pulp and paper industry continues; Whakatane Board Mills, located in the North Island, planned a trial run of their new semi-chemical pulp unit in mid-August. This unit is the first of its kind in New Zealand and has been installed at a cost of roughly $413 thousand; it is expected to be in actual production in two months' time. Annual production of the new unit will be about 4,000 long tons. During 1955, New Zealand produced 52,925 long tons of chemical wood pulp, an increase of 31 per cent over 1954. Production of 28,858 tons of mechanical pulp was nearly 2 per cent below the figure for 1954.

Pulp produced at Whakatane mill will be used to manufacture cardboard products and will largely replace imported supplies. This will not directly affect Canadian exporters since imports of mechanical and chemical wood pulp have come largely from outside the dollar area, particularly from Sweden. There were no imports from Canada in 1955, and less than $1,000 worth during the early months of 1956—Wellington, Aug. 16.

Portugal

COD—Information received late in July indicated that the Portuguese cod-fishing fleet has been making good catches and that prospects are good for a satisfactory catch during the current season. Seven trawlers have returned from their first voyage carrying larger quantities than in the previous season. Fishing is favourable, despite a late start because of bad weather. During the first two weeks of June, the line fishing vessels had an average of one-third of the usual season's catch which is considered highly satisfactory—Lisbon, Aug. 7.

Sweden

MORE TANKERS—The same shipping yard which is at present building six tankers for the United Kingdom has received an order from a U.S. company for ten tankers of 40,000 tons each, the first of which is scheduled for delivery in 1959. The total value of the American order is estimated at $80 million. The British orders involve three shipping companies; three of the vessels being built are 19,000-ton motor tankers. Fast delivery dates offered by the shipbuilding firm have attracted business—Stockholm, Aug. 15.

United Kingdom

BICYCLES, MOTORCYCLES—Increased exports of both bicycles and motorcycles in the first six months of 1956 have been announced by the British Cycle and Motorcycle Industries Association. In the first half of this year, 1,106,625 bicycles, valued (with parts,) at £18,217,548, were shipped abroad, compared with the figures of 1,096,926 and £16,020,935 for the same period of 1955. June figures are given as 157,595 cycles worth £2,707,542, compared with 111,950 worth £1,628,424 in June last year.

The six-months' figures for motocycles are 38,080 machines worth (with parts) £5,777,571, compared with 34,890 worth £5,087,038 last year. In June exports totalled 5,028 machines valued at £747,332, compared with 3,735 worth £554,666 in June 1955—London, Aug. 22.

Venezuela

SEED POTATOES—The Venezuelan Ministry of Agriculture has announced that arrangements are being made in Caracas to have the Agricultural Bank place orders abroad for some 180 thousand to 200 thousand fifty-kilo crates of seed potatoes. No further details are available, but it is believed that Kennebecs, Red Pontiacs and Sebagos will be the preferred varieties for the forthcoming tenders. All seed shipments to the Venezuelan Government last year were financed on a letter of credit basis, redeemable at the point of export in Canada following inspection by a Venezuelan plant pathologist. It is expected that a similar procedure will be followed this year. Further details are available from the Commercial Secretary, Canadian Embassy, Caracas —Caracas, Aug. 15.

The Singapore Office Territory

... the market prospects

With five years' experience in this territory, D. S. Armstrong, Canadian Government Trade Commissioner in Singapore, is in a position to help exporters develop or expand markets in this part of Asia. This report, prepared before he left his Far Eastern post for leave and tour in Canada, should provide the exporter with useful background information on the market there.

D. S. ARMSTRONG, *Trade Commissioner, Singapore.*

THAT PART OF SOUTH EAST ASIA served by the Singapore office has a hot and humid tropical climate; rainfall is regular and copious and the high temperature varies little throughout the year. Most of the land area is fertile enough to feed the population and also produce surpluses of agricultural products for export, such as rice, rubber, copra, palm oil, etc. Fish are plentiful in the South China and Andaman Seas. Petroleum produced in Burma and Brunei (supplemented by Sumatra) meets the area's requirements, but coal must be imported. Little hydro-electricity is generated at present and potential capacity is quite small. Tin, the most important metallic mineral, is mined in Malaya, south Thailand and south Burma. Other minerals include bauxite, iron ore, and small amounts of manganese, zinc, and gold.

Manufacturing is limited to basic consumer essentials such as shoes, soap, rope, and cement, and includes some processing of natural products—such as refining of mineral and vegetable oils, tin refining, rice milling, and the making of foam rubber. These represent almost the full extent of present industrial production other than a motor-car assembly plant and another firm making asbestos cement pipes and sheets; there are a very few more. However, Burma particularly—and to a lesser extent Thailand and Malaya—are making great efforts to industrialize.

Except in Malaya, road and rail transportation facilities are inadequate. On the other hand, both ocean and inland shipping are highly developed. In Burma, Thailand and Sarawak, the rivers are used to transport most goods. Bangkok and Singapore are now major international air centres and air services continue to expand.

In contrast to India, China and Japan, South East Asia is not over-populated; unemployment is rarely a problem except when the tin and rubber industries are severely depressed. With an easy climate, reasonable food supplies and a simple standard of living, people who live there find they need to expend little energy to obtain a minimum amount of food, shelter and clothing.

Everywhere you go there are considerable numbers of Chinese; their position in the commercial field is an important one. Chinese businessmen (and Indians to a lesser extent) monopolize internal distribution and the import-export trade with neighbouring countries. These people do not, as a rule, deal directly with exporters or importers in Europe or North America; the European business houses here handle their orders. Burma is an exception because of its smaller Chinese population and a nationalistic trade policy.

Singapore Is Commercial Centre

Singapore is the commercial centre for all South East Asia. Apart from its defence role, its sole purpose is to provide trade facilities; it produces and consumes little. Banking, insurance, postal, telegraph and telephone services and harbour installations are all excellent.

Singapore still maintains its status as a free port, established by Sir Stamford Raffles in 1819. Customs duties are levied only on liquor, tobacco and petroleum products. However, as a member of the sterling area's dollar pool, it maintains import and exchange controls on transactions with hard currency countries. Practically the only goods from North America which are licensed for direct import are "essentials"; the granting of an import licence is an automatic guarantee that the currency will be available to pay for the goods.

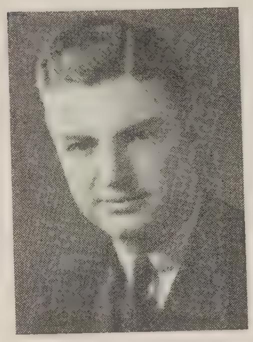
There is one important exception to the sterling area's dollar licensing policy: Singapore importers have access to the free foreign exchange market in Hong Kong. If an exporter cannot obtain a licence to bring in some particular product from Canada, he can import it and pay for it through Hong Kong. Here is the procedure an importer follows. A buyer in Singapore who wishes to purchase, say, smoked salmon, places an order with an agent in Hong Kong naming the Canadian supplier and sends a copy to the supplier. When the order is accepted, he transfers money to his Hong Kong agent who, in turn, purchases Canadian or U.S. dollars there and opens a letter of credit in favour of the Canadian exporter. The goods must be shipped to Hong Kong, where new bills of lading are issued, forwarding them to Singapore. They are not usually transhipped or landed at Hong Kong.

This method results in a landed cost which is some 5 per cent higher than for goods imported directly. The reasons for this are that it is necessary to pay a slight premium over the official rate for dollars purchased on the free market, the agent in Hong Kong requires a small commission, and there is an extra banking commission. About half the imports into Singapore from Canada and the United States come via Hong Kong; the value of this trade to Canada was more than $2 million in 1955.

Malaya Main Dollar Earner

The Federation of Malaya, with its large production of crude rubber and tin, is the sterling area's main dollar earner. Exports of these two items in 1955 were worth the equivalent of $900 million, or approximately 70 per cent of all exports from the country. Other important exports are canned pineapple, palm oil, coconut oil, iron ore and bauxite.

When you consider Malaya's (including Singapore's) import trade, the countries the goods come from must be divided into two groups—Asian and non-Asian. Indonesia, for example, sells Malaya the largest quantity of goods by volume and value, but mainly for re-export to Western countries. Imports from the United Kingdom lead those from other non-Asian countries by a fair margin, followed by the United States (consumer goods and earth-moving equipment); Australia (meats, vegetables and fruit); the Netherlands (canned foods and manufactured goods); West Germany (engineering and electrical supplies); Switzerland (watches); France (manufactured goods, wines); Belgium (steel); Italy (textiles, motor cars); South Africa (foodstuffs, inorganic chemicals); Denmark (foodstuffs, beer, cement); Canada (canned, fresh and frozen foods, motor vehicles, outboard motors, paper).



DONALD S. ARMSTRONG, Trade Commissioner in charge of the Singapore Office since 1951, is now on tour of Canada before he takes over a new post. He is anxious to meet Canadian businessmen who want to expand their export sales and particularly those who might derive most benefit from his knowledge and understanding of the South East Asian market. To complete his tour, which started in Vancouver and Victoria earlier in September, he will visit Edmonton on September 17 and 18, then twelve other centres across the country before he leaves Ottawa on November 7.

Mr. Armstrong, a graduate of the University of Toronto, joined the Trade Commissioner Service in 1945 and was posted first to Johannesburg, South Africa, and then to his present post in Singapore, where he has served two terms.

For further details of his tour itinerary please turn to page 34.

Although politically separate, the Federation and Singapore are interdependent economically; the same import control policy operates in both territories.

Sarawak's Chief Exports

Sarawak, the largest of the three British territories in Borneo, obtains most of its export earnings from rubber, pepper, timber, sago, jelutong and illipe nuts. World rubber and pepper prices have always fluctuated widely but curiously in the last five years, when one price was high, the other was low and vice versa.

The colony imposes the usual restrictions on dollar imports but merchants are able to buy goods from the countries affected in Singapore and Hong Kong. As there is virtually no manufacturing industry in Sarawak, the Colony depends heavily on imports of food, clothing, machinery and building materials. Sarawak is Canada's largest foreign customer for outboard motors. They are used extensively on the numerous rivers that are practically the only transportation routes at present.

North Borneo Has Labour Shortage

The Colony of North Borneo exports rubber, copra (mainly re-exports derived from Indonesia and the Philippines), timber, tobacco, cutch and hemp. A

The Singapore Territory

The territory covered by the Canadian Trade Commissioner's office in Singapore includes:

British Territories

- *SINGAPORE, a Crown Colony, which includes the city, the island and the colony as a whole. It has a population of 1¼ million, mainly Chinese, but with many minority groups—Malays, Indians, Eurasians, Europeans, and others.*

- *FEDERATION OF MALAYA, a former British protectorate by agreement between the Crown and the nine Malay Sultans. It has a population of over six million, 45 per cent Malays, 42 per cent Chinese; the remainder are Indians, Eurasians and Europeans. In addition to the nine States, the Federation contains two settlements—Penang and Malacca. Kuala Lumpur is the capital.*

- *SARAWAK, formerly the domain of the Brook family (the "White Rajahs"), is now a Crown Colony with a population of some 600 thousand. Over half the population are Dyaks (the former Borneo head-hunters) and the next largest groups are Chinese and Malays. The capital is Kuching.*

- *NORTH BORNEO, another Crown Colony, was developed up to World War II by the British North Borneo Company. The population of less than 400 thousand is mostly indigenous, with such tribes as Dusuns, Bajaus and Muruts. Chinese are the next largest group, followed by Malays and Filipinos. Jesselton is the capital but Sandakan is an important business centre.*

- *BRUNEI, a British Protectorate headed by a Malay Sultan, has a population of only 60,000, half Malays; Chinese form the largest non-indigenous group. Brunei Town is the capital.*

Non-British Territories

- *BURMA, formerly a British possession but an independent republic headed by a President since 1947, has a population of about 18 million. The capital is Rangoon.*

- *THAILAND, also known as Siam, has been an independent Kingdom since the year 1350. Its population is about 18 million, of which two million are Chinese. The capital is Bangkok, situated on the Chao Phya River, Thailand's main waterway.*

forestry policy established a few years ago is opening up new timber lands which might put North Borneo in the same class as the Philippines and West Africa as a source of tropical hardwoods.

Like Sarawak, North Borneo must import basic necessities such as food, clothing, building materials and machinery. Most of these are purchased as re-exports from Hong Kong and Singapore. There is little direct trade with Canada but a few Canadian products find their way to North Borneo through the entrepôt ports in the region.

North Borneo's chief problem—unique in Asia—is a shortage of labour, both skilled and unskilled. There is a fairly large minority made up of Chinese and Filipinos which may increase. Until there are more people, it will be impossible to develop the full potential of this largely unexploited colony.

Brunei Well-off Financially

The State of Brunei must be one of the most financially fortunate countries in the world. It has no income tax, no public debt, and an income from investments abroad amounting to 10 per cent of its total income. State revenues depend almost entirely on the oil industry which, until the recent developments in western Canada, made Brunei the largest oil-producing area in the Commonwealth.

Despite its prosperity it cannot be considered an export market for many Canadian goods because of the small population—about 60,000 people—and their simple standard of living. The oil industry, a Shell subsidiary, strictly controls dollar buying.

Thailand's Economy Sound

The Kingdom of Thailand has always seemed blessed with good fortune: wars, economic adversity and colonialism have, so far, not directly affected her. One reason for Thailand's prosperity is the brisk demand from other Asian countries for her sizable rice surpluses since the end of World War II. Rice exports account for 80 per cent of Thailand's foreign exchange earnings; tin and rubber, both produced in South Thailand, earn additional income.

Except for one year (1954) Thailand has had a minimum of import and exchange controls but export controls, as a main source of government revenue, have been burdensome at times. Thailand imports a wide range of consumer goods and some capital equipment, mainly from the United Kingdom, the United States, Japan and Western Europe. Canadian sales, although not large and consisting mainly of flour and motor vehicles, have remained steady. The Chinese dealers in Thailand prefer to import consumer goods

of well-established American brands and pay a premium for them over similar brands made elsewhere. This preference, though it is more marked in Thailand, exists throughout South East Asia.

Burma Is in Difficulty

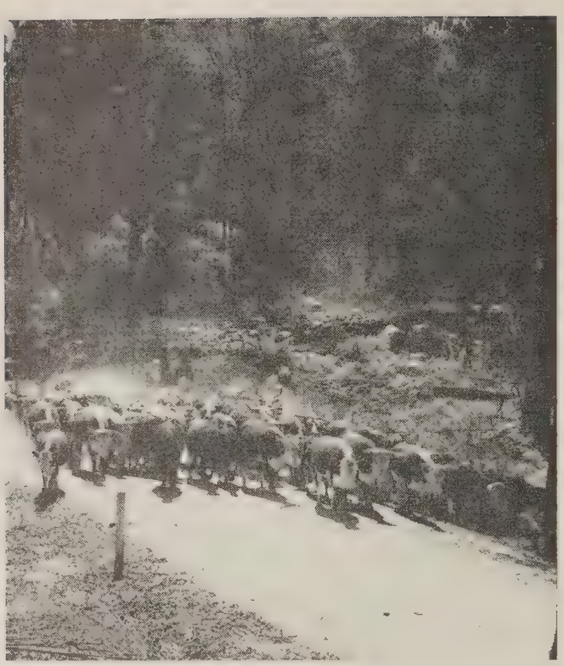
Burma has had a difficult time since she won her independence in 1947 and became a republic outside the Commonwealth; she has been ravaged by war, upset by the struggle for independence, and infested with dissident terrorist groups. Like Thailand, Burma depends on rice for most of her foreign exchange earnings and government revenue but, unlike her neighbour, came near to economic collapse in 1954 when the bottom fell out of the sellers' market for rice. An ambitious and costly development program based on high earnings from the rice trade was part of the trouble. Stringent import restrictions, severe cut-backs in development plans, and a period of austerity have served to control the situation.

Burma imports most of her requirements from the United Kingdom, Japan, and India; she earns few dollars and has little dollar-earning potential. If she could rehabilitate the tin and rubber industries of south Burma—in areas now infested with insurgents—she might possibly earn more dollars and boost her imports from Canada (valued at $480 thousand last year); Burma's imports from the United States are worth little more. ●

Australia'

Sales overseas of products of her farms and food processing industries earn nearly 85 per cent of Australia's export income. This review of the country's agriculture for the 1955-56 crop year—and of the outlook for the future—should help the businessman in Canada to evaluate market opportunities in Australia.

R. W. BLAKE, *Commercial Secretary, Melbourne.*



These Hereford cattle are moving down from summer quarters on the high plains of Victoria to the warmer lowlands for the winter. Most of the cattle raised for the export trade in beef roam the vast, semi-arid hinterland in search of pasture.

AUSTRALIAN PROSPERITY depends to an exceptionally high degree on sales of farm products, especially wool. Overseas sales of agricultural commodities, including processed foods, account for about 85 per cent of her total export income; wool exports alone make up approximately 50 per cent.

The main market for Australia's primary products is the United Kingdom, although Asian countries buy substantial amounts of dairy products, wheat and coarse grains. Prospects for increasing exports to these traditional markets are good, especially for dairy products, but Australia faces stiff competition from continental countries such as the Netherlands and (perhaps to a lesser extent) North America. Recently countries which subsidize exports of wheat and flour, and the United States surplus disposal programs, have cut into Australia's Eastern markets.

Although Canada and Australia are both large exporters of farm products, they do not compete keenly in world markets. Australian wool has little competition from Canada. Canadian exports of cheese to the United Kingdom might increase somewhat if dollars were freely available and such competition would lower the price of Australian cheese in Britain. The volume of Australia's wheat exports, her second most valuable commodity, changes very little with differences in price because millers in the United Kingdom order definite amounts of Australian soft wheat for blending.

Production Trends

The volume of farm production rose to a record high during the 1955-56 crop year—31 per cent greater than before the war and 6 per cent above last year, the previous record. Latest Bureau of Agricultural Economics figures show new records for:

Wool—Production of wool in the grease rose about 10 per cent to an estimated 1,414 million pounds.

Milk—Total production is expected to exceed 1,400 million gallons, a postwar record.

Beef—Output of beef and veal should reach 750 thousand tons compared with 730 thousand tons last year.

Oats—A record oats harvest of 54·8 million bushels is expected.

A record yield per acre of 19·4 bushels of wheat and a near-record barley crop of 40 million bushels were also recorded.

Farmers have been investing heavily over a series of years in pasture improvement, land clearing, improved livestock, and better watering facilities. The combination of farm improvement, an unprecedented run of good seasons, and the success of myxomatosis in reducing the rabbit population have all contributed to increased production.

Except for wheat, crops promise to increase further in 1956-57. The sheep population too has been steadily

griculture . . . key to prosperity

imbing since the drought in 1946-47 and now umbers approximately 130 million head; wool production may rise 5 per cent this year to 1,480 million ounds.

The production outlook for the dairy industry is good, with butter output rising rapidly at present. How much cheese will be produced depends somewhat on the prices butter will sell for and on those expected for casein and skim milk powder.

Beef output may rise this coming year, while mutton and lamb production more or less levels off.

Because exceedingly heavy rains interfered with wheat seeding and caused heavy damage to early sown crops, the Australian wheat crop may fall from 40 million to 50 million bushels below last season's crop of 195·6 million bushels. Some districts have already had a normal year's rain in the first six months; much of the farmland in these areas was flooded.

Value of Farm Production Declines

Despite record high production last season, the value of farm production continues to decline. The farm value of all agricultural production in the 1955-56 crop year is estimated by the Bureau of Agricultural Economics at A£1,116 million compared with A£1,118 million one year earlier; the postwar peak was A£1,180 million in 1950-51, when wool prices reached record highs.

Main reason for the decline was a fall of about 14 per cent in average wool prices for the 1955-56 season, which was only partly offset by an increase of about 7 per cent in volume; lower overseas prices for wheat, coarse grains, beef, mutton and lamb also contributed.

Although the total gross value of farm production in 1955-56 was only about 1 per cent lower than in the previous year, there were important changes in the production pattern. The large decline in the total value of the wool clip was offset to a great extent by higher values for milk and wheat. Reductions in value for sugar cane, beef, mutton and lamb were largely compensated by the increased value of oats and barley production.

While income declined, prices of goods which farmers have to buy rose by 2·5 per cent in 1955; the net cash income of farmers, which dropped from A£592 million in 1952-53 to A£480 million in 1954-55, probably fell further in the 1955-56 crop year.

Exports—Volume Up, Value Down

The total volume of agricultural exports in 1955-56 rose an estimated 31 per cent above the prewar figure, even though a great deal of wheat was stored rather than exported. Only in 1949-50, when overseas sales of farm products were 34 per cent above prewar, has this volume of exports been exceeded: in that year Australia exported large quantities of wool accumulated during the war.

Despite an increase of about 7 per cent in the amounts shipped, the value of exports of farm products is expected to decline about 4 per cent this year compared with last year.

Figures just released show that the value of wool exports in 1955-56 was down by A£17 million; the volume exported was 12 per cent greater. The value of wheat and flour exports is expected to fall about A£6·0 million and sugar is also likely to decline by the same amount. On the credit side, butter exports are expected to increase by more than A£9·0 million. Export income from agricultural products fell from A£643 million in 1954-55 to an estimated A£618 million in 1955-56.

Outlook for Export Trade

Figures published by the Bureau of Agricultural Economics clearly show how dependent Australia is on farming and the food processing industry for her export income; for each of the three years to 1954-55, agricultural exports have accounted for 85 per cent of total sales abroad. The percentage may be somewhat lower this year because of a fall in prices for agricultural exports and a slight increase in prices for exports of manufactured goods. Although the Government hopes to increase exports of manufactures by A£20 million a year, increasing production costs make it difficult for both manufactured and primary products to compete in overseas markets.

A recent article in the *Institute of Public Affairs Review*, an independent publication which studies economic and industrial problems in Australia, points out a significant fact: if the price of wool next year

should fall 10 to 15 per cent below present prices, Australia would face a serious economic crisis. The article concludes that lower wool prices would "drive home the extremely fine margin on which the Australian economy is at present operating, and the precariously thin line between reasonable prosperity and grave economic difficulty".

Australia has many immediate economic problems to solve. The Government is fully aware of and is doing its best to overcome them. High-level talks are going on overseas to obtain fair competition against subsidized goods from other countries, and the Government is backing publicity drives in the United Kingdom to promote Australian goods. Additional funds are going to research and extension work.

Looking ahead, two things should be noted: the economy is basically sound and the potential for increasing production is great. Improved pastures have increased from about 10 million acres at the end of World War II to over 25 million acres today and there is room for further expansion. Farmers now use two million tons of superphosphate a year to boost production and it should be possible to double fairly quickly the present two million acres of irrigated land.

More Wool and Grain

World consumption of wool is rising in spite of the competition from synthetic fibres. According to a review of the world wool situation made by the International Wool Bureau, buyers continue to pay good prices, although more wool is on the market. This was reflected in the last sales held in Australia for the 1955-56 season, when prices rose by about 5 per cent compared with earlier sales.

With a record clip of 1,480 million pounds forecast this season, Australia's export income from wool sales will be much higher in 1956-57 than last year, if prices remain firm.

The wheat crop is expected to be 40 million to 50 million bushels lower than last year, but Australia, with an expected carryover of more than 90 million bushels compared with the usual 20 million bushels, will still have plenty of wheat to sell. Experts are attempting to improve the quality of Australian wheat and work out a system of grading to assist in selling the best grain overseas at a premium over the present f.a.q. (fair average quality) grade.

Beef Exports a Problem

More beef will be available for export, but competition from Argentine and New Zealand chilled beef, plus expanded production in Britain, may tend to keep the price of Australian frozen beef low on the United Kingdom market. Before the war Australia shipped about 27,000 tons of chilled beef to the United Kingdom, compared with about 7,000 tons last year. Although she is making efforts to increase chilled beef exports, Australia is at a disadvantage compared with her competitors.

Most of Australia's beef is marketed at an average age of six years, in contrast to 2½ years for the Argentine and New Zealand types. Cattle raised for the export beef trade must roam the vast semi-arid ranges of the hinterlands in search of pasture. This extensive system of cattle raising is likely to limit for a long time the number of suitable types that can be made available for chilled beef—and continuity of supply is necessary to build up this trade. Australian breeders are doing a good job of improving beef quality in the more closely settled areas and to some extent in the more extensive ranges, but the best beef is sold on the higher-priced home market.

Another great difficulty in stepping up shipments of chilled beef is the fact that Australia is far from the United Kingdom market. Argentine meat can reach Britain in from 14 to 21 days and New Zealand meat from 20 to 30 days; it takes from 40 to 70 days from Australia. Because frozen beef is apt to remain the major part of Australian beef exports, research workers are now investigating ways to improve marketing.

Butter and Cheese Subsidized

The Federal Government has announced that the guaranteed prices to dairy farmers for butter and cheese in 1956-57 under the Dairying Industry Stabilization Plan will be 51d. per pound, commercial butter basis, compared with 49·29d. per pound in 1955-56. The price guarantee applies to all butter and cheese consumed in Australia, and to exports of up to 20 per cent of home consumption. The present financial year is the last one in the current five-year stabilization plan. The Government has agreed that in any new plan it will pay a fixed annual subsidy; the amount is to be determined before each year begins.

The subsidy fixed for the present year is A£13·5 million, A£1·0 million less than last year. At the same time the Government has approved price increases of about 1½d. per pound for butter and about ⅝d. per pound for cheese consumed domestically.

These price increases, combined with the subsidy, ensure that the dairy industry will receive a full 51d. per pound for butter or the equivalent for cheese. For consumers, this means a small rise in retail prices. Even so, federal guarantees have kept consumer prices about 7½d. per pound below the cost of production. The present government will have paid out a total subsidy of A£113 million on dairy products by the end of 1956-57.

atter consumption, which was rising in Australia, clined in 1955-56 because of the price increase and gorous competition from margarine.

eater Production Needed

xpanded production of some agricultural commodities w mainly imported can play an important part in ctifying the adverse trade balance. The Government seeking ways and means of encouraging increased d efficient production of such commodities as tobacco d cotton, flax and other oil-bearing crops. For bacco, the Government has adopted an import system hereby a manufacturer can obtain a rebate of duty aid on imported tobacco according to the percentage f home-grown leaf he uses. This incentive to manu-acturers has boosted sales of all usable Australian leaf t reasonable prices.

uccessful Marketing the Answer

arm production has increased sufficiently in the post-war period to take care of Australia's increased omestic consumption, the result of a yearly population ncrease of over 3 per cent. At the same time the ndustry has maintained its share of exports (if pro-essed foods are included) at about 85 per cent of the otal. Although there is still room for considerable gricultural expansion, lower prices overseas tend to ffset increased production. It is thus more necessary or secondary industry to assume responsibility and provide a larger share of exports.

Rising production costs and sharp hikes in shipping charges multiply the difficulties exporters face. They must find solutions to these problems before they can expect to make much progress.

Those industries which rely primarily on the Australian market should do well in the future; they have a solid demand which should expand year by year. But indus-tries which must rely to a greater extent on overseas markets are not as fortunate. Their prosperity is directly hitched to fluctuations in world markets; a review of wheat and wool price changes over the past ten years will show how true this is.

To be sure of continued prosperity, Australia will probably expand the volume of production and quality of her agricultural products and try to market them more effectively; for the present at least, this is the only way for her to boost exports significantly. Suc-cessful merchandising requires keeping storage stocks high in overseas markets as buyers are annoyed by seasonal shortages and like to be sure they can buy a quality product when they want it. How well Austra-lia is able to apply the techniques of successful market-ing to her special situation will largely decide the measure of her prosperity.●

Carpets from India

ORIENTAL CARPETS are woven on hand looms, usually of hand-spun woollen yarn. In India, one of the main carpet-producing countries of the world, about 50,000 persons work in the industry, on looms in their own homes or in weaving sheds. Carpets are produced in Bhadohi (a district of Benares), Mirzapur, Agra, Amritsar, Gwalior, Jaipur and Kashmir.

Carpet weaving used to be considered a "sweat-shop" industry. Recently, however, the Indian Government has paid considerable attention to conditions in the country's cottage industries and wages paid to weavers have increased in every production stage. All reputable rug companies have their own supervisors who tour the villages to instruct the weavers and supervise their work. Manufacturers are introducing quality-marking schemes to reassure foreign buyers.

Almost all of the Oriental rugs produced are exported; few are sold in India. Indian consumers prefer cheaper substitutes such as jute and coir matting. The total value of woollen carpets exported in 1955 was Rs.40,427,782 (about $8 million). Last year Canada imported $1 million worth of rugs of all kinds from India compared with $1·23 million worth in 1954. Most of the 1955 imports were Oriental rugs valued at $668,000 and cocoa fibre mats worth $227,000.

The traditional market for Indian carpets is the United Kingdom (60 per cent of the total). The British wartime embargo on luxury goods, which lasted until 1951, interrupted the trade. When the ban was lifted, British importers placed large orders but not always with the most reputable manufacturers and shippers. Prices rose abnor-mally in 1951 and goods were sometimes not up to standard.

Importers soon lost confidence in Indian carpets, prices fell steeply, and in 1952 a number of orders were cancelled. Carpet exports declined by 50 per cent. Since then, sales on a consignment basis have accounted for 60 per cent or more of India's carpet exports. Production has now returned to a more normal figure.

Indian weavers with simple hand tools—a loom, a knife, a pair of scissors, and a combed hammer —are capable of following even the most intricate rug designs. Despite strong competition from mill-made carpets using nylon and other sub-stitute materials, Indian hand-woven carpets seem to be holding their markets abroad.

—WM. JONES,
Commercial Secretary, New Delhi.

General notes

Argentina

NEW INDUSTRIES—The Argentine Central Bank has given its approval under the Foreign Capital Investment Law to investment in four industries. One is a plant to manufacture sulfanilamide antibiotics by the U.S. firm, Lederle Products Inc., for which U.S. $2,472,644 has been approved.

Investment of U.S. $846,800 by Koppers International C. A. of Venezuela in a plant to produce thermoplastic raw materials, principally for the manufacture of polystyrene, has also been approved. The two other projects are a cement factory by the U.S. firm Preload Company Incorporated, and a plant to make recording equipment and vinyl paste by Columbia Gramophone Company Limited of England —Buenos Aires, Aug. 16.

Australia

COST OF LIVING—The Acting Commonwealth Statistician announced that the wholesale price of basic materials and food in Australia rose almost 3 per cent in April and May. For the 11 months to the end of May, the wholesale price index for basic materials and food showed an increase of 6 per cent.

On July 2 retail prices of butter were increased by 1½d. per lb. and cheese by 1d. per lb.; prices of biscuits and flour were also raised.

Substantial increases in tram, bus and railway fares came into operation in New South Wales on July 1 and in Queensland on July 5.

Building materials showed the largest increase in wholesale prices for the period from June 30, 1955, to the end of May 1956, with a rise of 11·6 per cent.

Both the Victorian and New South Wales Governments are facing serious gaps between revenue and expenditure and are seeking sources for a greater tax yield—Sydney, Aug. 7.

Austria

TRADE WITH EASTERN COUNTRIES—The share of Eastern Bloc countries in Austria's foreign trade grew from 8·2 per cent in the first five months of 1955 to 12·0 per cent in the same period of this year. Value of Austrian exports to the Soviet Union during the same period rose from A.Sch. 0·74 million to A.Sch. 88·5 million, to Czechoslovakia from A.Sch. 80 to 140 million, to East Germany from A.Sch. 105 million to 170 million, to Poland from A.Sch. 143 million to 274 million, to Rumania from A.Sch. 32 million to 90 million, to Hungary from A.Sch. 167 million to 215 million, and to Bulgaria from A.Sch. 36 million to 40 million. Imports from these countries increased to from 9 to 10 per cent of Austria's total imports—Berne, Aug. 15.

Belgian Congo

MINING AND INDUSTRY—According to recent studies, reserves of coal deposits in the Albertville region are estimated at 50 million tons.

The creation of a synthetic petrol industry capable of producing 150 thousand tons per year is under study. Various chemical industries (notably tar and fertilizers) could be created in the same region.

In the Kivu, methods of tapping methane gas are being studied; reserves of methane gas there exceed in importance coal production in Belgium. It has been decided to erect a new cement works on the shores of Lake Kivu, with a capacity of 30,000 tons a year—Leopoldville, Aug. 14.

Cuba

OIL REFINERY EXPANSION—A prominent United States company will expand refining capacity in Havana from 8,500 to 35,000 barrels a day. The project, expected to be completed and in operation by September 1957, involves an expenditure of $30 million—Havana, Aug. 7.

Federation of Rhodesia and Nyasaland

PROSPECTING A MAJOR INDUSTRY—Prospecting for minerals has become a major industry during the past two or three years. Most of the activity stems from five large mining combines and several smaller concerns which are committed over the next four or five years to spend between them over £2 million a year. These companies are spending large sums on the latest techniques in prospecting, including aircraft and magnetic prospecting devices. Northern

Rhodesia, already the world's second copper producer, is considered a promising area for such intensive prospecting, and sustained high metal prices in world markets have left substantial margins of profit for exploration and development. Outside the Copperbelt area, the two most interesting discoveries of recent date are deposits of pyrochlore and a large field of low-grade coal—Salisbury, Aug. 4.

Italy

FOREIGN TRADE—In the first quarter of 1956, value of Italian imports increased 11 per cent, compared with the same quarter of 1955, to 459,000 million lire. Exports totalled 312,000 million lire, an increase of 22 per cent. The trade deficit for the first quarter of 1956 amounted to 147,000 million lire, a decline of 8 per cent compared with the first quarter of 1955. With earnings from services such as tourism, offshore purchases, etc., the actual deficit in the quarter was considerably smaller than that in the same period of 1955—Rome, Aug. 17.

Japan

POPULATION RISES—Japan's population on October 1, 1955, was 89,275,529, a gain of 6,075,892 over the last official census taken in 1950. The 1955 census indicates an increasing trend towards population concentration in urban areas. The Tokyo metropolitan district population advanced by 1,759,584 in the five-year period and now stands at 8,300,000. There are 50,288,026 city and 38,987,503 country dwellers—Tokyo, Aug. 10.

Norway

NEW TITANIUM SOURCE—The most important Norwegian producer of titanium oxide recently reported the discovery of new deposits of ilmenite ore with a high titanium content. These deposits are located in the Jossingfjord on the west coast and are estimated to contain over 100 million tons of ore. Most of the ilmenite is accessible for open-pit mining. The Norwegian company is now planning to increase its annual production of ilmenite concentrate from 160 thousand tons to about 200 thousand tons. Norway supplies about 16 per cent of the total world production; Norwegian ilmenite concentrate contains 45-55 per cent of titanium dioxide—Oslo, Aug. 5.

South Africa

NEW WHEAT VARIETY—The Union's wheat crop during the 1955-56 season at 8·1 million bags (each bag 150 pounds) exceeded the previous record crop of 8,013,000 bags in 1950-51 by almost 100,000 bags. The record harvest will reduce the Union's present dependence on imported wheat by almost a million bags during the coming year. Most of this increase is due mainly to expanded production of summer wheat over the past two years and partly to the introduction of a new variety, Regent, which is immune to stem rust and resistant to leaf rust. Yields reported for the new variety are attracting the attention of farmers in the "mealie area" who are switching from corn to wheat growing; so far the variety has been sown extensively in eastern Orange Free State and eastern Transvaal—Johannesburg, Aug. 7.

Taiwan

POWER DEVELOPMENT—The Taiwan Power Company plans to build a new 75,000-watt thermo power plant as part of the Government's five-year electric development plan, which is expected to add nearly 400 thousand kilowatts to Formosa's supply. It is reported that Westinghouse Electric has agreed to loan the company US$6 million towards realization of the plan, while the Government will request additional loans from the United States Government—Hong Kong, Aug. 3.

United Kingdom

GOLD AND DOLLAR RESERVES—At the end of July, sterling area reserves totalled $2,405 million, a gain of $20 million during the month. This increase included receipt of $16 million in United States defence aid. It also took account of a payment of $19 million to the European Payments Union in 75 per cent settlement of the June deficit, and $9 million paid to European Payments Union countries in bilateral settlements. It was announced that the United Kingdom deficit with European Payment Union countries in July, to be settled in August, amounted to £24 million, the largest deficit since September 1955—London, Aug. 22.

IMPORT SURPLUS—In July the United Kingdom visible trade deficit amounted to £44·2 million, based on total exports of £276·1 million and imports of £320·3 million. This trade gap was £6·5 million less than the average for the first half of this year and nearly £28 million less than the average for 1955 as a whole. Exports were about the same as the monthly average so far this year and 10 per cent above last year.

In July, exports to Canada were worth £15·2 million, down £2·1 million from June. However, the July results were equal to the average so far this year and 29 per cent above the 1955 monthly rate—London, Aug. 21.

SOUTH AFRICA: a midyear survey

Continued balance-of-payments problems and fall in foreign exchange reserves have slowed down the removal of import controls. But Canadian sales to Union are holding up well in 1956, despite economic transition.

A. WORDEN EVANS, *Trade Commissioner, Cape Town.*

THE FIRST HALF OF 1956 in the Union of South Africa was marked by a continuation of the slow-down in economic development which began last year. This was reflected in a levelling-off in business activity. The indexes of retail turnover to the end of April showed a slight rise but indications are that since then they have remained more stable. The amount of credit outstanding in particular lines is causing some concern.

The building trades have probably felt the changed conditions most. Some of the smaller firms have been forced into liquidation and the real estate market in most parts of the Union is at a low ebb. Agriculture is feeling the pinch of lower prices and increased costs and the enormous capital expenditure by the gold mining industry is dropping as new mines come into production. Government revenues for the first two months of the fiscal year were about the same as for the same period of 1955; railway revenues dropped and a deficit seems possible.

Spending on Public Works

A major sustaining factor in the economy is the large government expenditure on railways, telecommunications, irrigation, roads and other public works. The manpower shortage and keener competition have accelerated the trend towards greater efficiency, with commerce, industry and various levels of government making use of management consultants. Production of gold and uranium is substantially higher; output of other minerals is slowly rising in value as the transport situation gradually eases.

The minor relaxations of import control made towards the latter part of last year were disappointing and will have little impact on the volume of imports. The balance-of-payments position at the present time, and the fact that in the week ending July 6 reserves of gold and foreign exchange were at their lowest since May 1954, gives little ground for optimism about further easing of import control during the next few months. But it is encouraging that the Government has not changed its decision to proceed with the gradual elimination of import control as soon as possible.

External Trade

Figures for the quarter ended March 31, 1956, show a rise in the value of the Union's external trade, although those for March alone are in contradiction to the trend, as the table below shows:

SOUTH AFRICA'S TRADE

(in millions of £)

	1956		*1955*	
	March	*Total for first quarter*	*March*	*Total for first quarter*
Imports	45·1	129·6	47·8	123·4
Exports	31·9	93·4	32·3	88·9

Fruit and minerals (excluding gold) are the main products with larger foreign sales. Details on imports by commodities are not yet available.

Canadian exports to South Africa were running at about the same level as last year for the five months ended in May—a total of £25·4 million in comparison with £26·1 million for the same period of 1955. Featured in this trade were wheat, lumber, automobiles and parts, canned salmon and sardines, paper and paper products, chemicals, leather, and farm implements.

Canada's purchases from the Union were slightly below those of last year for the three months to the end of March. The comparative figures are: 1956, £963,895, and 1955, £1,077,162. Principal commodities were wines and brandy, wool, and diamonds.

Agricultural Production

The outlook for agricultural production is again excellent but marketing is becoming more of a problem as

sing costs and output, with keener competition, romise growers a lower net return.

Vool comes second only to gold as a contributor to reign exchange earnings. It is therefore a matter of ome concern that, although the clip this past season as the largest in twenty years (some five million ounds more than last year) it was valued at only £53·5 million, or over £5 million less than the £58·8 million earned in the previous season.

Maize production in the last few years has been unning well above domestic requirements of about 26 million bags and 1956 was no exception. The crop was finally estimated at 32·2 million bags of 200 lb., ome 4·2 million bags less than the previous harvest. In spite of large-scale export, the carry-over still poses major problems of storage and finance. Export prices have not been remunerative during the past year and the moving of large quantities of maize has thrown an extra strain on the already over-burdened transportation system.

Preliminary forecasts are that sugar output for the present season, which began in April, will be about the same as last year's record of 938,890 short tons. As for fruits, final figures are expected to show that with the exception of apricots and pears, shipments of deciduous fruit have been larger than those of last season. This rise is expected to continue as new plantings begin bearing. The following table gives details of exports for the current season to May 9, together with comparable statistics for the two previous seasons.

		1954-55	*1955-56*
Apples	Cases	992,826	1,315,449
Apricots	Trays, double layer	140,448	86,425
Grapes	Boxes	3,829,683	4,281,678
Nectarines	Trays, single layer	5,408	8,054
Peaches	Trays, single layer	341,265	438,463
Pears	Trays, single layer	26,743	38,001
	Cases	1,329,939	1,241,865
Plums	Trays, single layer	27,226	46,923
	Trays, double layer	279,686	320,683

Production of citrus fruit continues to expand. Estimates based on the latest tree survey in the Union indicate an exportable surplus of 10½ million cases by 1960 and 13 million cases by 1963, against a probable seven million cases this year. The smaller Spanish crop is expected to help keep prices firm this season.

The rapid expansion of the South African fruit industry poses a major problem of processing, storage, transportation and financing, and considerable work will have to be done before a solution is reached.

The last wheat crop totalled 8·3 million bags of 200 pounds, compared with an average of seven million bags over the previous five years. Acreage is expanding steadily and the hope is that the Union will eventually become self-sufficient, although the rise in population and the widely varying climatic conditions may make imports necessary for some time to come. The carry-over of five million bags makes it probable that purchases from abroad will be cut next year.

The supply situation in beef has been improved with the removal of price control. With the exception of the dry season, prices have hovered just above the level at which they were formerly controlled. Mutton and pork continue in adequate supply.

Mining Production Rising

Gold production continued its steady rise, with output for June reaching the record total of 1,351,465 ounces valued at £16,831,370. Output for the first six months of 7,757,670 ounces, valued at £96,497,856, was also a record. Output of uranium (which is processed in connection with gold) is also gaining, with 20 of the 27 mines holding contracts with uranium units in operation.

Diamonds worth £5,317,907 were exported during the first two months of 1956, compared with £5,791,379 worth for the same period of 1955. Demand for gem diamonds is said to be outrunning supply but sales are not as brisk this year as last.

Sales of other types of mineral products were running well ahead of last year for the first two months of 1956 and totalled £10 million compared with £7·7 million. Totals for the four principal minerals for this period (with the 1955 figures in brackets) are as follows: coal £3·3 million (£2·6 million); copper £2·1 million (£1·2 million); asbestos £1·1 million (£950,000); and manganese ore £647,657 (£342,965).

Transportation Problems

Great strides are being made towards overcoming the bottleneck in transportation but much remains to be done. The vigour with which the Railways Administration is attacking this problem augurs well for the future. Improved transportation facilities should result in increased exports, as shipments of many minerals are held back by the lack of facilities to move them to export points. The solution of this difficulty would contribute greatly towards remedying the deficit in the balance of payments. The latest prediction is that the railways will be able to accept all the traffic offering by 1958. A further spurt in economic expansion could, however, alter this estimate.

Secondary Industry

The rapid growth of the past few years which began tapering off in 1955 has not been renewed this year. The emphasis is now on increased efficiency to meet

keener competition during this period of consolidation. There have also been numerous requests for higher tariffs but the Board of Trade and Industry has refused the great majority, and there is no sign yet of any swing to prohibitive protection. The current difficult business conditions will in the long run leave secondary industry more healthy because of the pressure to cut costs and study markets.

South Africa is going through a period of transition which is bringing about a more efficient and, generally speaking, a healthier economy. The more solid base which is being laid will provide a sounder foundation for the next period of expansion. No Canadian businessman interested in exporting can afford to neglect the unique opportunity offered by the market here in the Union, where the import bill totalled more than £482 million last year and where import control does not discriminate between dollar and sterling suppliers. The ruling factors are price and quality.

Trade Commissioners on Tour

D. S. ARMSTRONG, Canadian Trade Commissioner in Singapore, began a tour of Canada in Vancouver and Victoria, September 4-14. His itinerary is:

Edmonton—Sept. 17-18
Winnipeg—Sept. 20-21
Toronto—Sept. 24-Oct. 2
Hamilton: St. Catharines: Welland—Oct. 3-4
Brantford—Oct. 5
Sarnia—Oct. 9
Windsor—Oct. 10
Brockville—Oct. 12
Montreal—Oct. 15-24
Halifax—Oct. 26
Saint John—Oct. 29
Ottawa—Oct. 31-Nov. 7

G. A. BROWNE, Commercial Secretary in Havana, Cuba, begins the second part of his Canadian tour in Winnipeg, October 3-4. His itinerary is:

Saskatoon—Oct. 5
Vancouver—Oct. 8-12
Saint John—Oct. 22
Halifax—Oct. 25-26
Ottawa—Oct. 29

F. B. CLARK, former Commercial Secretary in Caracas, Venezuela, began a tour of Canada in Victoria, August 30-31. His itinerary is:

Winnipeg—Sept. 17-18
Toronto—Sept. 20-28
Hamilton—Oct. 1-2
St. Catharines: Niagara area—Oct. 3-4
Brantford—Oct. 5
Kitchener—Oct. 8
Welland—Oct. 9
Windsor: Sarnia area—Oct. 10-11
Montreal—Oct. 15-23
Granby—Oct. 24
St. John's—Oct. 25
Quebec—Oct. 26
Halifax—Oct. 29-30
Kentville—Oct. 31-Nov. 1
Saint John—Nov. 2-3
Ottawa—Nov. 5

C. S. BISSETT, Commercial Counsellor for Canada in Buenos Aires, Argentina, began his Canadian tour in Montreal, July 30-August 10, and completes it in Ottawa, October 24.

L. S. GLASS, Commercial Counsellor for Canada in Wellington, New Zealand, began his Canadian tour in Montreal, August 6. His itinerary is:

Sarnia—Sept. 17
Winnipeg—Sept. 20-21
Regina—Sept. 24
Calgary—Sept. 25-26
Edmonton—Sept. 27-28
Vancouver—Oct. 1-12
Victoria—Oct. 15-16

Businessmen in the various centres may get in touch with these officers through the Board of Trade in Brantford, Granby, Halifax, Kentville, Montreal, Saint John and Saskatoon; Chambers of Commerce in Brockville, Calgary, Hamilton, Kitchener, Niagara Falls, Regina, Quebec, St. Catharines, Sarnia, St. John's, Waterloo, Welland and Windsor; the Canadian Manufacturers Association in Edmonton, Toronto and Winnipeg; the Department of Trade and Commerce in Vancouver and Ottawa, and the Department of Trade and Industry in Victoria.

Tours of Territory

M. B. BURSEY, Commercial Counsellor in Ciudad Trujillo, Dominican Republic, began a ten to twelve-day visit to Puerto Rico and the islands of St. Thomas and St. Croix on September 10.

K. F. NOBLE, Canadian Trade Commissioner in Johannesburg, South Africa, will be in Durban from October 8-13.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible.

trade and tariff regulations

ahamas

ADDITIONS TO OPEN GENERAL LICENCE—The llowing lumber and wood products may be nported into the Bahamas under World Open eneral Licence: shingles, lathes, box shooks, staves, eadings and barrel shooks, softwood and hardwood ywood, mouldings and trimmings of wood. Prod-cts under World Open General Licence may be nported from all sources without restriction.

osta Rica

DUTIES ON BOOTS AND SHOES RAISED—The overnment of Costa Rica has greatly increased uties on imported boots and shoes in order to stim-late expansion of the domestic shoe manufacturing ndustry. The Legislative Assembly recently put into orce a decree fixing a special tax, or surcharge, of 00 colones a pair (approximately US $15.00) in ddition to the regular customs duties which were lready high. Regular duties on the principal types of women's and children's leather footwear, for example, are 40 colones per kilogram gross weight (about US $2.75 per pound) plus 20 per cent ad valorem on the c.i.f. value.

According to the decree, all types of footwear are affected except those for special purposes such as mining, firefighting, dairying, and orthopedic use, so long as they are not manufactured in Costa Rica. It is expected that the new measure will virtually eliminate imports of ordinary foreign-made foot-wear, which in recent years have totalled almost US $100 thousand annually.

Costa Rica has provided a small market for certain types of Canadian-made rubber boots and shoes, some of which may be affected, but no leather footwear from Canada has been imported recently.

Larger domestic production of footwear should, however, bring greater sales opportunities for Can-adian leather tanners and manufacturers of other shoe materials. Already it has been announced that a new US $150 thousand shoe factory will shortly go into production in a small town near the capital—Guatemala, August 17.

Norway

CUSTOMS TARIFF AMENDMENTS—Effective July 1, various amendments were made in the Norwegian customs tariff. Most of these amendments provide for slight alterations in the text of tariff items with little effect on rates of duty, but some actual changes in customs duties are also involved. For example, the previous duty of 0·40 krone per kilogram on certain keyboards, actions and parts for pianos was abolished; other piano parts, which had been duti-able as manufactures of their component materials, were made subject to a duty of 2 kroner per kilo-gram. The duty on uncoated zinc plates and ribbons (other than zinc for clichés and offsets) was reduced from 0·24 krone to 0·12 krone per kilogram.

Hand pumps are now dutiable at 15 per cent ad valorem, compared with a previous duty of 0·20 krone per kilogram. Increases were made in the duties on knives, forks and spoons; blades for knives; and taps and valves of copper, brass and other cop-per alloys, of aluminum and nickel—Oslo, Aug. 23.

Exporters may obtain detailed information on specific items affected from the International Trade Relations Branch of the Department.

Poland

CUSTOMS DUTIES ON MANY NON-COMMERCIAL IMPORTS TO BE REDUCED—A new Polish customs tariff, which will come into force on October 1, reduces the duties on many non-commercial imports into that country. It also includes a considerably wider range of products than the tariff at present in force, with the effect that a greater variety of imports will be admitted without individual permis-sion from the Polish authorities, subject to the cus-toms duties being paid by the recipient. Ordinary commercial imports into Poland are made under economic plans by state trading organizations. They are not subject to the import duties provided in the customs tariff.

Although the new customs duties on gift imports into Poland will, generally, be lower than at present, they will still be rather high. For example, the duty on nylon stockings will be reduced from about $14.75 to $9.80 per pair at the official rate of exchange; on men's ordinary leather shoes from $36.85 to $29.45 per pair; on new clothing of nylon or natural silk from $111.40 to $89.10 per pound; on men's used woollen suits from $11.15 to $6.55 per pound; on used woollen topcoats from $11.15 to $4.45 per pound; on oilcloth from $8.35 to $2.25 per pound; on pepper

from $32.80 to $22.30 per pound; on various other spices from $16.70 to $6.55 per pound; and on tea from $11.15 to $8.90 per pound. The minimum duty on prepared medicines in small quantities will be reduced from $7.35 to $4.90. The duties on gift imports of coffee, cocoa and some other products will remain unchanged; razors, processed eggs and a few other commodities will be dutiable at higher rates—August 27.

Information concerning rates of customs duty on other specific articles which readers may wish to send to Poland as gifts may be obtained from the International Trade Relations Branch of the Department.

United States

DRAWBACK LAW ON PRINTING PAPERS AMENDED—By Public Law 1012, approved August 6, 1956, "printing papers, coated or uncoated" are added to the list of products specified in section 313(b) of the U.S. Tariff Act. Accordingly, under this law, if imported duty-paid printing papers and domestic U.S. merchandise of the same kind and quality are used in the manufacture or production of articles, there will be allowed upon export of any such articles, notwithstanding the fact that none of the imported merchandise may actually have been used in the manufacture or production of the exported articles, an amount of drawback equal to that which would have been allowable had the printing paper used therein been imported.

Uruguay

NEW EXCHANGES AND TRADE REGULATIONS ANNOUNCED—Effective August 4, a new system of exchange and trade regulations came into force in Uruguay. The following list of products (first category imports) may be imported at a fixed rate of 2.10 pesos per U.S. dollar: Raw materials when they are imported by or for manufacturers for their own use and in accordance with their half-yearly requirements, combustibles codified in first category, products for combatting insects in agriculture and cattle, building materials, foodstuffs of prime necessity.

Subject to government approval, bananas, seeds and refined sugar may also be imported at the rate of 2.10 pesos per U.S. dollar.

A rate of 3.00 pesos per U.S. dollar will apply to imports of agricultural machinery and spares, antibiotics, cortisone, insulin and fertilizers. The Government will make good the difference between this special rate and the "free commercial market rate".

Other imports will be subject to the "free commercial rate of exchange". The right to obtain foreign exchange for such imports may be purchased by the importer in the form of a certificate originally granted to an exporter who has turned over earnings of foreign exchange to the Bank of the Republic. These certificates are negotiable and are valid for eight days. They can be used only for payment of imports.

The Bank of the Republic exclusively will be authorized to use exchange not accruing from imports through the "free commercial market". Details on surcharges for various items imported through the free market are to be announced later.

Exports will be divided into 11 categories for exchange rate purposes. Depending on the product, the export rates which will apply range from 100 per cent of the free rate to 100 per cent of a basic export rate of 1.519 pesos per U.S. dollar.

Further details may be obtained from the International Trade Relations Branch.

Data for Exporters

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Belgium, Belgian Congo, Bolivia, Brazil, Chile, Colombia, Cuba, Dominican Republic, Egypt, Finland, France, Western Germany, Greece, Guatemala, Haiti, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Nicaragua, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland, United States and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.

Automatic Sales Clerk

Coin-operated vending machines, over 1¾ million of them, are used to dispense a wide range of products in the United States. Although latest estimates show that bottled soft drinks, cigarette, and candy machines still lead the way by a wide margin, ice cream, milk, juices and fruit are all being handled by this method. A recent survey in New York State shows about 50 per cent of the industrial plants in that state have milk-vending machines. Compared with this, 82 per cent have machines selling soft drinks, 83 per cent have machines selling candy, and 64 per cent have cigarette machines.

Coming to Canada on Business

THE INFORMATION about foreign business visitors given here is, to the best of our knowledge, accurate at the time of going to press. We cannot, however, accept responsibility for any changes in itineraries nor for cancellation of plans. This information is published as a service and in no way represents sponsorship or selection by the Department of Trade and Commerce. We cannot undertake to enter into correspondence about these visitors.

▶ from the Belgian Congo

RENE DELVAUX, senior partner, Messrs. Redelco, general importers of Leopoldville, Belgian Congo, will visit Canada during the latter half of September. The main purpose of his visit is to keep in touch with present Canadian principals and friends but he would welcome leads which might increase his firm's representation. He is especially interested in consumer durable goods and foodstuffs, mainly canned, dried, and salted fish. While in Canada Mr. Delvaux will visit the Department of Trade and Commerce in Ottawa.

▶ from France

RENE AUGUSTE-DORMEUIL of Auguste-Dormeuil et Cie, 2 rue Drouot, Paris 9e, will present his company's 1957 summer collection of fine quality woollen fabrics in Quebec City at the Chateau Frontenac from September 15 to 18; in Montreal at the Ritz-Carlton, September 19 to 22; in Toronto at the Royal York from September 26 to 29.

▶ from Japan

YOSHIO KOBAYASHI, chief of the Kanagawa Breeding Farm of 3910 Hongo Ebina Machi, Koza Gun, Kanagawa Prefecture, Japan, will arrive in Toronto between September 10 and 15. Mr. Kobayashi is not purchasing cattle on this trip to Canada; his aim is to gain appreciation of Canadian Holstein herds with a view to future purchases. International Livestock Exporters Ltd. Box 125, Oakville, Ontario, has been informed of his proposed visit.

ISAO YAMADA, Managing Director, Kokoku Rayon and Pulp Co. Ltd. of 1, Shiba Tamuracho 1-Chome, Minatu-Ku, Tokyo, Japan, representing one of the leading producers of sulphite pulp in that country, will visit Montreal on October 10 as part of his world tour; he is particularly anxious to see through a typical Canadian sulphite pulp plant and to study our pulp industry. The Canadian Pulp and Paper Association, 2280 Sun Life Building, Montreal, Quebec, has been informed.

▶ from Norway

GUDLEIU HARG, chemical engineer with Messrs. Wilh. Willumsen A/S, Oslo, import agents specializing in industrial chemicals, will be in Montreal October 1, 2, and 3. The purpose of his visit is to get in touch with large chemical manufacturers with a view to representing them in Norway. He will stay at the Sheraton-Mount Royal in Montreal.

▶ from Trinidad

LEONARD L. BEARDEN, general manager, Sanitary Laundry Co. Ltd., 1 Ajax St., Port-of-Spain, Trinidad, B.W.I., who is interested in acquiring boxes for packaging shirts, laundry machinery and supplies, will be in Toronto from September 22 to September 25 (approximate dates) at the Royal York Hotel.

▶ from the United Kingdom

F. A. EVANS, managing director of Press Equipment Limited, Hunters Vale, Farm Street, Birmingham 19, will be in Toronto September 25 to 27 to appoint agents for the sale of his firm's automatic mechanical feeds for power presses; he also seeks a mechanical consultant as his representative. It will be possible to get in touch with Mr. Evans c/o the United Kingdom Trade Commissioner, 119 Adelaide Street West, Toronto.

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1·01975.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent Aug. 30	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Official	·05448	1·835	(1)
		Free	·03079	32·48	
Australia	Pound		2·1835	·4580	
Austria	Schilling		·03772	26·51	
Belgium-Luxembourg	Franc		·01967	50·84	
Belgian Congo	Franc		·01967	50·84	
Bolivia	Boliviano	Official	·005161	193·76	
British West Indies	Dollar		·5686	1·76	(2)
	Pound		2·729375	·3664	(3)
	Dollar	British Honduras	·6823	1·4656	
Brazil	Cruzeiro	Effective selling*			
		*Category I	·011414	87·61	*July 31
		Category II	·009079	110·14	(4)
		Category III	·005748	173·98	
		Official buying	·53362	18·74	(5)
Burma	Kyat		·2059	4·86	
Ceylon	Rupee		·2047	4·885	
Chile	Peso	Free	·001981	504·795	(6)
Colombia	Peso	Basic	·3923	2·549	(7)
		Free*	·1986	5·035	*Aug. 28
Costa Rica	Colon	Official	·1746	5·727	
		Controlled free	·1477	6·77	
Cuba	Peso		·9806	1·020	tax 2% (4)
Czechoslovakia	Koruna		·1362	7·342	
Denmark	Krone		·1420	7·042	
Dominican Republic	Peso		·9806	1·020	
Ecuador	Sucre	Official	·06538	15·295	
		Free	·05222	19·150	
Egypt	Pound	Official	2·8159	·3551	(6)
Fiji	Pound		2·4589	·4069	
Finland	Markka		·004264	234·521	
France, Monaco and North Africa	Franc		·002802	356·88	(8)
French Colonies in Africa	Franc		·005604	178·4	(9)
French Pacific	Franc		·01541	64·89	(10)
Germany	D Mark		·2340	4·274	
Greece	Drachma		·03268	30·60	
Guatemala	Quetzal		·9806	1·020	
Haiti	Gourde		·1961	5·099	
Honduras	Lempira		·4903	2·040	
Hong Kong	Dollar	Free*	·1623	6·16	*Aug. 17
		Official	·1706	5·862	
Iceland	Krona	Official	·06021	16·61	
		Special buying	·04466	22·39	
		Special selling	·35174	28·43	(11)
India	Rupee		·2047	4·885	
Indonesia	Rupiah	Basic	·08635	11·581	(12)
Iran	Rial	Certificate	·01294	77·25	
Iraq	Dinar		2·7458	·3642	
Ireland	Pound		2·7297	·3664	
Israel	Pound		·5448	1·835	
Italy	Lira		·001574	635·3	
Japan	Yen		·002724	367·1	

* Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent Aug. 30	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	·3048	3·280	
Mexico	Peso		·07845	12·75	
Netherlands	Guilder		·2561	3·905	
Netherlands Antilles	Guilder		·5160	1·938	
New Zealand	Pound		2·7294	·3664	
Nicaragua	Cordoba	Effective buying	·1486	6·729	
		Official selling	·1390	7·19	
Norway	Krone		·1373	7·283	
Pakistan	Rupee		·2047	4·885	
Panama	Balboa		·9806	1·020	
Paraguay	Guarani	Official	·01634	61·20	(6) (13)
Peru	Sol	Certificate	·05161	19·38	
Philippines	Peso		·4903	2·040	
Portugal	Escudo		·03422	29·22	(14)
El Salvador	Colon		·3923	2·550	
Singapore & Malaya	Straits dollar		·3184	3·141	
South Africa (Union of)	Pound		2·729375	·3664	
Spain & Dependencies	Peseta	Basic buying	·04478	22·33	
		Basic commercial selling	·59737	16·74	(6)
		Free	·02518	39·71	
Sweden	Krona		·1896	5·274	
Switzerland	Franc		·2289	4·369	
Syria	Pound	Free*	·24691	4·05	*July 16
Thailand	Baht	Free	·04737	21·11	(6)
Turkey	Lira		·3502	2·855	
United Kingdom	Pound		2·729375	·3664	
United States	Dollar		·980625	1·020	
Uruguay	Peso	Free*	·2331	4·290	(16)
		Basic buying	·6456	1·549	
		Principal selling	·4671	2·141	(6)
		Special selling	·3269	3·059	
Venezuela	Bolivar		·2927	3·416	
Yugoslavia	Dinar		·003268	305·9	(6)

* Latest available quotation date.

notes

1. Argentina: additional rates result from exchange retentions on export proceeds and surcharges on imports.
2. Barbados, Trinidad, Tobago, Leeward and Windward Islands, British Guiana.
3. Bahamas, Bermuda, Jamaica.
4. Tax of 10 per cent affects selling (import) rates only. Tax is based on official rate, and is therefore 1.88 cruzeiros per U.S. dollar.
5. Brazil: currency certificates auctioned for five import categories. Effective selling rate is official rate of 18.82 to U.S. dollar plus price of certificate. Exporters receive cruzeiros at official rate plus exchange premiums ranging from 18.70 to 48.64 cruzeiros per U.S. dollar, depending on product. Three rates shown cover bulk of transactions for auction.
6. Additional rates are in effect.
7. Colombia: stamp taxes of 3, 10, 30, 80 and 100 per cent on imports depending on essentiality. The free rate applies to minor exports and less essential imports.
8. Includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
9. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
10. New Caledonia, New Hebrides, Oceania.
11. Iceland: special rates apply to minor export products of small fishing boats and designated non-essential imports.
12. Indonesia: basic rate applies to most exports and a few essential imports. Purchase of exchange for other imports is subject to surcharges of 50, 100, 200 or 400 per cent depending on products.
13. Official rate applies to exports and essential imports. For non-essential imports there is a surcharge of 25 Guaranis per U.S. dollar.
14. Portugal: approximately same rate for Portuguese Territories in Africa.
15. Chile: free rate applies to exports and to imports, except prohibited imports. Chilean importers must deposit local currency in amounts ranging from 5 to 200 per cent, depending on product, prior to shipment of goods.
16. A new exchange system came into effect in Uruguay on August 4. An explanatory note on the new system appears in the Trade and Tariff Section of this issue.

Canada in Foreign Markets

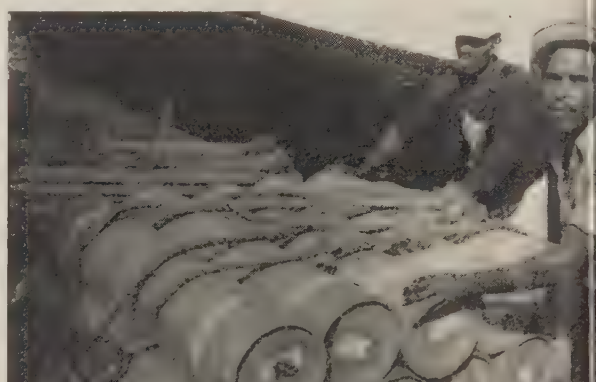
Canadian exporters are invited to contribute to this series photographs of their products in use or on sale in foreign markets. Photographs should be adequately captioned, protected for mailing, and addressed to: The Editor, "Foreign Trade".

—Kuwait Oil Company

In Kuwait—At Mina al Ahmadi, the Kuwait Oil Company's marine terminal in the Persian Gulf, Arab workers unload part of a substantial order of six-inch conduit pipes from Canada.

In Bermuda—Employees of the Bermuda News Bureau work in this handsome modern office, which is well equipped with desks and typewriters which were imported from Canada.

In the United Kingdom—Canadian Douglas fir has been used in the construction of these timber trusses for a shed being erected by the Mersey Docks and Harbour Board at Liverpool.



In Jamaica—These cylinders being unloaded from ship at Jamaica contain cellulose film produced by a Canadian company which exports to a number of markets abroad.

SEPTEMBER 29, 1956

foreign trade

ADA

BRITISH GUIANA STEPS UP DEVELOPMENT (page two)

ANADA

foreign trade

Established in 1904

Published fortnightly by the Department of Trade and Commerce.
The Right Honourable C. D. HOWE, Minister,
WM. FREDERICK BULL, Deputy Minister.

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cover These ships at quayside 65 miles up the Demerara River in British Guiana are loading bauxite ore for Canadian aluminum smelters. Bauxite mining is British Guiana's second largest industry, and exports of the ore are its chief dollar earner. For a report on the Colony's industries and development program, please turn to page two.

—Photo by Demerara Bauxite Company Ltd.

British Guiana Steps Up Development

Economic outlook for British Guiana improves as capital flows into the country to develop its natural resources, establish new industries, and improve social conditions. Bauxite, much of it exported to Canada, continues to be main dollar-earner. Development programs should mean better market for Canadian products but dollar shortage limits opportunities.

D. B. LAUGHTON,
Trade Commissioner, Port-of-Spain.

THE DRIFT TOWARDS COMMUNISM in British Guiana, which caused several disturbances in 1954, forcibly brought to the attention of the United Kingdom Government the lack of economic and social progress in the colony, despite its extensive natural wealth. A comprehensive development program was promptly initiated and in 1955 BWI$16·5 million* was expended for a variety of projects such as the financing of building loan funds and farm machinery pools; road, school and housing programs; soil and geological mapping; and the training of agricultural and forestry specialists. The United Kingdom has since approved a further $90 million for a program over the next five years to improve housing, education and communications.

In addition to the development program, the United Kingdom Government has been making long-term,

* B.W.I. $1.00=60 cents Canadian.

-interest loans to assist private industry to develop colony's natural resources; it had advanced VI$21·1 million for gold dredging equipment, ber limits and sawmills, a hydro-electric unit and modernized rice-cleaning plant by the end of 1955. an example of the potential economic gains pected from this policy, it has been estimated that new rice plant will yield about 70 per cent cleaned e and 10 per cent saleable by-products, compared th a net yield of 60 to 65 per cent in the older mills ich still process most of the colony's rice.

condary Industries Progress

e Government of British Guiana, for its part in the velopment program, is offering tax and import duty ncessions for ten years to attract new industries; it ll apparently consider tariff changes if they become cessary. Thus encouraged, a margarine factory cently began to produce at a rate of two million ounds a year; the plant uses mainly Caribbean raw aterials such as coconut oil. A biscuit factory is nder construction and a site has been cleared for ritish Guiana's first brewery. A shirt and pyjama anufacturing firm is now in production and a company has completed plans for a soap plant. Another roject just starting is shrimp fishing, and the U.S.-nanced company claims that the prospects of this ecoming a steady dollar earner are excellent. These dustries have not yet influenced the economy of e country but in such a small market they can soon ffect the traditional import pattern.

ugar Products Dominate Exports

ugar and its by-products still dominate the British uiana economy and are by far the most important gricultural export. In 1955 they accounted for one-alf of the colony's total export earnings of BWI$90 million. Rice, lumber, balata, and coffee are the only other important agricultural products.

The total production of sugar in British Guiana ncreased by 5 per cent in 1955 to approximately 250 housand long tons; 245 thousand tons were produced on estates and 5,000 tons on small holdings; the total area in sugar cane was 72,300 acres. The production of sugar on estates is controlled by two large companies which operate 14 sugar factories with capacities ranging from 4,000 to 30,000 tons a year; they cultivate estates varying in size from 350 to 8,500 acres.

British Guiana participates in the Commonwealth Sugar Agreement and last year supplied the U.K. with 162 thousand long tons of sugar at an agreed price of BWI$195.60 a ton delivered. About 18,000 tons of sugar were consumed in the country and the remainder was sold to Canada and the United Kingdom at world market prices, for considerably less than the contract price.

The production of rum in British Guiana rose to 2·8 million proof gallons in 1955 compared with 2·2 million in the previous year. The colony specializes in a heavy-bodied, fragrant rum and finds a steady market in Canada for about one-sixth of its annual production. Surplus molasses for export totalled just under eight million gallons—mainly raw, inedible molasses. Canada has been the largest customer, but the United Kingdom, the United States and Trinidad also take large quantities.

The following table shows the relative exports of the various forms of sugar and by-products and Canada's importance as a market.

BRITISH GUIANA'S EXPORTS OF SUGAR AND BY-PRODUCTS—1955

	Canada	*United Kingdom (in BWI dollars)*	*Total*
Unrefined cane, white	nil	376,900	376,900
" " yellow	nil	412,000	412,000
" " other	14,815,000	24,643,000	39,461,800
Molasses, raw	246,700	185,900	767,200
Rum, under 85 per cent proof	14,900	400	24,800
Rum, other	548,500	2,495,200	3,111,200
	15,625,100 (35%)	28,113,400 (63%)	44,153,900 (100%)

Trade Deficit Grows

Next to sugar, the mining of bauxite ore is British Guiana's largest industry and exports of this product are its principal dollar-earner. Production of crude bauxite in 1955 was 2·5 million tons, of which 2 million tons were exported as dried bauxite and went almost entirely to Canadian aluminum plants. Most of the remainder was heat-treated to form calcined bauxite which is in world-wide demand for abrasive and refractory industries. The value of bauxite exports in 1955 was just under BWI$25 million which, when added to the income from sugar exports, totalled BWI$69 million out of BWI$90·5 million earned from all exports.

Imports, however, exceeded exports last year by BWI$4 million and the colony has shown a trade deficit in three of the last five years. Although exports have increased steadily each year since 1951, the rate is not high enough to pay for all the imports necessary for progress in this underdeveloped country; outside financial assistance is badly needed. The following table shows the trade pattern in recent years.

Returns from bauxite exports have helped to improve living conditions in the Colony. This attractive company town includes complete educational, recreational, and health services.

TRADE OF BRITISH GUIANA

Year	*Exports*	*Imports*	*Balance*
	(millions of BWI dollars)		
1951	58·6	66·3	− 7·7
1952	81·7	82·6	− 0·9
1953	83·1	72·0	+11·1
1954	85·4	80·0	+ 5·4
1955	90·5	94·5	− 4·0

Problems of Canadian Traders

During 1955 Canada continued to be British Guiana's principal market, absorbing 36 per cent of the country's total exports. As a supplier, however, Canada's position deteriorated and in one year, during which the colony's total imports increased by 18 per cent, the value of Canada's share of the trade declined by 27 per cent—from BWI$8·2 million in 1954 to BWI$5·9 million in 1955. The decrease resulted almost entirely from a sharp drop in purchases of flour from Canadian millers in favour of U.S. suppliers. In 1953 Canadian flour shipments to British Guiana were valued at BWI$4 million (estimated); in 1954 flour sales were BWI$2 million and in 1955 fell to BWI$187 thousand.

Canada supplied only 6 per cent of British Guiana's total imports in 1955 although the colony offers a small market for a wide variety of Canadian products. There are several reasons for this situation. First, freight rates are approximately 20 per cent lower for Western European ports and deliveries are equally good. This advantage more than compensates for the Commonwealth tariff preference and, when combined with Europe's lower labour costs, often means that Canadian merchandise is not competitive at landed prices. In many cases, the competing products lack the quality or design appeal of Canadian merchandise; however this is of secondary importance to most Guianese consumers, who have a low average income.

BRITISH GUIANA
COMMODITY IMPORTS—1955

(in BWI dollars)

Commodity	*Imports from* Canada	*U.S.*	*U.K.*	*Total Imports*
Food	2,882,100	4,980,600	3,657,400	19,705,600
Beverages & tobacco	277,100	452,700	1,133,500	2,293,000
Crude materials	229,300	38,700	167,300	564,200
Minerals, fuels	1,400	182,600	621,900	7,619,900
Animal-vegetable fats	16,900	28,900	311,800	531,600
Chemicals	272,500	194,500	5,524,900	7,254,300
Manufactured goods	1,196,300	1,406,400	13,184,300	25,460,300
Machinery and transport equipment	434,700	4,286,600	14,407,400	20,664,800
Miscellaneous manufactures	598,200	480,700	6,042,000	10,332,300
Miscellaneous	24,500	159,200	181,400	418,500
Total	5,933,000	12,210,900	45,231,900	94,844,500

Another problem in merchandising Canadian goods is the dollar restrictions, which tend to limit the variety and number of Canadian quotations and often prevent exporters from taking full advantage of a temporary sales opportunity. Similarly, the time and trouble required to obtain an import licence for orders of special equipment from dollar areas also works against North American suppliers, although the control authorities are co-operative.

The table below shows the pattern of British Guiana's import trade during 1955 and the share obtained by the three main supplying countries. It also indicates the groups of commodities for which the Government made dollars available and how much for each.

Outlook Is Promising

The economic outlook for British Guiana is favourable. There is a strong demand for the colony's entire and increasing production of bauxite, and manganese will soon be added to the list of mineral exports. In addition, long-term contracts ensure the sale of most of the sugar and rice crops. The development programs have increased the pace of business and this is being augmented by investment on the part of private industry, which appears to have regained confidence in the political future of the colony.

All these factors indicate that the demand for imported products will be maintained and should increase. As long as the dollar problems of the sterling area remain there will be trading difficulties for many Canadian exporters, but there are still opportunities to develop a market here.

Japan's Trade Reaches New High

Japan's foreign trade in goods for the first half of the year reached a postwar high, with exports amounting to $US1,159 million and imports to $US1,499 million—a trade deficit of $US340 million.

Exports to the dollar and sterling areas increased sharply; dollar area sales rose in response to a heavy demand for ships and machinery as well as textiles. Main sterling area sales consisted of textiles, beverages, and foodstuffs including canned fish.

Imports from the dollar area increased by about $US109 million reflecting heavy buying abroad of minerals, fuels, and metalliferous ores although imports of food and beverages decreased. Imports from the sterling area gained remarkably with increases recorded in the food, beverage, textile, and metalliferous ore categories. Imports from the "open account" area fell by $US51 million due mainly to reduced buying of food and beverages.

New Zealand Sets Trade Policy

Strain on foreign exchange reserves has prevented any easing of import control, as new Budget shows. Will this mean decline in Canadian exports to New Zealand? This question is discussed here.

JOHN MacNAUGHT, *Assistant Commercial Secretary, Wellington.*

NEW ZEALAND has no choice for the moment but to retain and perhaps strengthen restrictive trade policies. This was the statement made recently by the Minister of Finance when he presented the budget for fiscal 1956-57 to the New Zealand Parliament. The carrying-out of this policy may affect Canadian trade but, because we sell New Zealand largely raw materials and essential goods, the effect may be slight. Producers of non-essential and luxury goods should feel the pinch first.

Exchange Reserves Shrinking

Main feature of this 1956-57 budget is the stress laid upon the continuation of the battle against inflation. Spending, and particularly spending on imported goods, is to be kept down. The shrinkage in New Zealand's overseas reserves has already aroused concern and these reserves continue to dwindle. Exchange transactions for the year ended June 1956 resulted in a deficit of £5·2 million compared with a deficit of £42·3 million the previous year. However, though this was an improvement, the Government does not feel that even this is a safe figure. The important fact about these reserves is the seasonal low point which is reached at about the end of December each year. The figures at this point for the past three years were:

1953	*1954*	*1955*
£(M)	*£(M)*	*£(M)*
104	87	65

The Government therefore feels that curbs on trade with foreign countries are still essential.

Other measures too will affect trade. For example, the Reserve Bank will probably make it increasingly difficult for trading banks to extend credit and, because of its dependence on overdrafts, the business community may have trouble financing the present level of imports. The effects of the present credit squeeze are at least partially demonstrated by the import figures for the first half of 1956. Payments for private imports have averaged £18·5 million per month, or about £1·3 million per month *less* than for the same period last year.

Effects on Canadian Trade

How has Canada's trade with New Zealand been moving during that period? Our exports to New Zealand from January 1 to June 30, 1956, have declined by $1·2 million compared with the same six months last year. But is this drop a direct result of the credit squeeze? Investigation shows that a substantial part can be attributed to smaller shipments of salmon, timber and newsprint, all of which are in the open category in the import licensing schedule. In the case of salmon, the credit policy has not been restrictive—the trade would take more if they could get it. Newsprint shipments might have been larger had adverse developments within the industry here been anticipated several months or a year ago. The buyers here expected a larger part of their needs to come from local mills and did not contract for bigger quantities from Canadian suppliers. When the increase from New Zealand plants did not materialize and they turned to Canadian mills, supplies were not available.

In Canadian timber, credit policy has undoubtedly tightened up the demand, particularly at the "end use" level. In addition, timber imports are mainly in the hands of three or four large importers and—mainly because of the transportation factor—the practice has been to order in bulk lots. This requires heavy financing and the tendency has been to use stocks during the first months of this year when funds have been more difficult to get. There are signs at present, however, that a recovery in timber shipments may be in store for the second half of this calendar year. Purchases of Canadian stock were heavier during July and August and at least one importer thinks that, although 1956 may not equal 1955, it will compare favourably.

A look at some other items shows that Canadian exporters have fared rather well. Exports of cellulose

products to New Zealand have slightly more than doubled in value in the first six months of the year; those of synthetic fabrics (woven) have increased from \$14·6 thousand during the first six months of last year to \$230·9 thousand this year. Passenger automobile shipments are up over the corresponding period a year ago, but this category may not continue to expand if New Zealand's dollar reserves do not improve. Only on the basis of a complete analysis of the total export figures would it be safe to draw conclusions, yet these figures suggest that Canadian exporters have not been adversely affected, except in some lesser items.

Import controls have confined the bulk of our exports to this market to raw materials and essential goods. The effect of a direct squeeze (either through credit limitations or import controls) is felt first by producers of non-essential and luxury goods. At the present, these come largely from the non-dollar areas and the current policy of reducing imports therefore affects exporters outside North America more directly.

There is one final aspect of the New Zealand Budget for 1956-57 which may interest Canadian exporters of machinery and equipment. The special depreciation taxation allowance for industry, introduced after the Second World War, has been discontinued from August 10, 1956, although this does not apply to contracts entered into before this date. This allowance was in addition to ordinary rates of depreciation and had as its aim stimulating the replacement of worn-out plant equipment and machinery. The new provisions will tend to discourage replacement and development projects. Because much of this machinery was imported, overseas suppliers will be affected. Although Canada has been a minor supplier in this field, Canadian exporters have in the past secured contracts for some special equipment used in hydro-electric projects, the pulp and paper industry, and the timber industry.

Ireland Restricts Imports

A substantial trade deficit last year has forced Ireland to impose restrictions on imports of luxury and semi-luxury goods. Canada's exports should not suffer because of the type of goods we sell and the preferential tariff.

E. FINEGAN, *Office of the Commercial Counsellor, Dublin.*

LAST YEAR, the Republic of Ireland achieved a record in foreign trade, both in value and in volume. But because imports rose by £24·4 million to a total of £204·3 million and exports declined by £4·8 million to £110·3 million compared with 1954, the trade deficit reached £94·1 million as against the £64·8 million of 1954. This fact made necessary the introduction in March of a special import levy, designed to cut down imports of luxury and semi-luxury goods. The levy, which is in addition to other duties already charged, takes the form of:

1. A duty of 37½ per cent ad valorem (full rate) and 25 per cent ad valorem (preferential rate—U.K. and Canada) on certain articles, including washing machines and refrigerators for domestic use, musical instruments, etc., clocks and watches, nylon hosiery, toys and sports goods, fountain pens and pencils, jewellery, soups, fruit and vegetable juices and fur skins.

2. A duty of 15 per cent ad valorem on assembled and unassembled motor vehicles and parts from all countries.

3. A 100 per cent increase in the duty on tinned fruits in syrup.

4. A duty of 1d. per copy (full rate) or ¾d. per copy (preferential rate—U.K. and Canada) on newspapers and periodicals imported in bulk.

5. A duty of 5 per cent ad valorem on newsprint and other printing paper from all countries.

How Problem Developed

Further study of Ireland's trade figures underlines the need for some action. When the Government reduced controls on dollar buying in October 1954, imports from dollar countries rose substantially; they totalled £17·0 million in 1954 and advanced to £26·0

llion in 1955. Of this £26·0 million, the United tes supplied £17·8 million and Canada £6·7 llion. At the same time, the sterling area's share Ireland's total trade declined, although the United ngdom supplied goods worth £107·6 million and lia, over £5 million.

owever, the new import levy is not expected to affect nada too seriously because of the preferential rate en to Canada and the United Kingdom. In fact, may result in a greater share of dollar-area trade ing to Canada.

hat Ireland Buys

hat products are the Irish continuing to buy? A de analysis classifies 65 per cent of her imports as terials for further production and shows only about per cent of these go into farm production; about 24 r cent are classified as consumer goods and 10 per nt as producers' capital goods ready for use.

ompared with 1954, noticeable increases took place imports of wheat, fuel oils, unrefined sugar, body d chassis parts for motor vehicles, coal, tea, corn, oilers and boilerhouse plant, gasoline, railway hicles, and natural rubber. Lumber (sawn, planed dressed), synthetic yarn or thread, newsprint, fertizers, and seeds for sowing recorded smaller gains. nports of aircraft and parts, refined sugar, barley, oollen woven fabrics, and farm tractors declined last ear compared with 1954.

ther than the United Kingdom, whose share of the arket was 50 per cent, Canada's chief competitors r Ireland's import trade are the United States and Vest Germany. The U.S. supplied mainly corn, nmanufactured tobacco, and aviation gasoline last ear; West Germany shipped over machinery and electical goods, parts for motor chassis, iron and steel nanufactures, muriate of potash, textiles except pparel, chemicals and products—to name some of her nost important exports.

ast year several products not listed in 1954 cropped p in Canada's exports to Ireland, (£6·7 million otal) including canned fruits, tomato juice, soups, ye, macaroni, hops, soya bean, oilcake and meal, woven synthetic fibre fabrics, hosiery, electric washing machines, aluminum in primary forms, synthetic resins, and others. The following Canadian products increased their sales to Ireland last year: clover and grass seed especially timothy, bright flue-cured tobacco, lumber, wood pulp, paperboard, newsprint, files and rasps. Imports of canned salmon; hides, skins and leather; agricultural machinery; cellulose products, etc., were all down last year compared with 1954. Ireland purchased no barley from Canada in 1955 although she imported 465 thousand bushels the year before. Wheat sales rose from $2·9 million in 1954 to $6·2 million in 1955 but declined again by 50 per cent in the first four months of 1956.

What Ireland Sells

About 60 per cent of Ireland's exports consist of agricultural products, out of a total export trade amounting to £110·3 million last year to all countries—including £96 million to the U.K., £3·4 million to the dollar area, and £5·5 million to non-sterling countries of the European Payments Union.

Exports of live cattle were up, reaching £36·1 million in value, as were sales of horses, raw wool, tinned beef and other commodities. However, the meat trade and exports of butter and eggs declined seriously. Exports of chocolate crumb and other cocoa and chocolate preparations also showed a sharp drop.

The Republic's exports to Canada declined seriously, from $1·15 million in 1954 to $335 thousand last year, mainly because of smaller sales of confectionery, alcoholic beverages, fresh beef and veal. Fresh pork, poultry meat, bacon and hams, all prominent in 1954 trade, were not exported to Canada in 1955. Canada, however, did increase her purchases of Irish raw wool.

International Trade Course Offered

This fall for the second time the Canadian Exporters Association, in co-operation with the Institute of Export in the United Kingdom, is offering a correspondence course in the theory and practice of international trade to interested Canadians. Conducted by the Extension Department of the University of Toronto, the course covers the following subjects:

First Year

- *Export Practice Part I*
- *Economic Geography*
- *International Trade and Payments*
- *Principles of Export Marketing*

Second Year

- *Export Practice Part II*
- *Law of Carriage of Goods*
- *Finance of Foreign Trade*
- *Insurance of Export Cargoes*

Those who pass the first and final examinations will become members of the Institute of Export and entitled to use the designation A.M.I.E. after their names.

Applications are now being received and the course will begin in October. To obtain further information and an application for enrolment, write to the Registrar, Export Correspondence Course, Canadian Exporters Association, 73 Adelaide Street West, Toronto.

fairs and exhibitions

In the Showroom

THREE CANADIAN FIRMS—Casavant Fréres Limitée of St. Hyacinthe, and Desmarais & Robitaille Ltd. and Paramentique & Cie. of Montreal—are currently displaying organs, ecclesiastical vestments, and church furnishings in the Canadian Showroom, Rockefeller Center, New York. Richly decorated vestments and beautifully designed crucifixes and candelabra are among the wide range of products from the hands of skilled craftsmen. The organs are represented by photographs. An assortment of unique Christmas cards has been contributed by the Benedictine Monks of Montreal. The exhibit opened on September 12 and will run until October 12.

Christmas Gifts from Canada

GIFT SUGGESTIONS from Canada will give the Canadian Showroom in New York a Christmas air throughout December. The products displayed must be giftwares and must actually be on sale at the time in New York. They will be loaned by an agent or store to the Showroom for the duration of the display. Goods cannot be brought in from Canada especially for this show.

Any Canadian firms now selling in New York products that are customarily considered suitable for gifts are invited to take part in this show. Firms interested should ask their representative in New York to get in touch with Donald Jeffries, Supervisor, Canadian Government Showroom, Rockefeller Center, (telephone JUdson 6-2400).

For Scientific Eyes and Ears

WHEN MEMBERS of the Institute of Radio Engineers in Canada gather for their convention and exposition in Toronto, they will see over 130 exhibits of the newest products and techniques in the electronic and nucleonic industries. The organizers believe that this is the first time that such an impressive scientific demonstration of Canadian progress in the comprehensive fields of radio-radar-electronics-nucleonics has been organized. Among the branches of the industry displaying their products will be manufacturers of electronic components, antennae, audio equipment, broadcast transmission systems, aeronautical and navigational electronics, tubes, transistors, and electronic computers. Other displays will feature equipment for medical and industrial electronics, radio telemetry and remote control, vehicular communications, ultrasonics engineering, and packaging and production machines and laboratory apparatus.

Visitors to the exhibition are sure to be absorbed by the stands which illustrate the industrial applications of nuclear science and the displays of electronic equipment used by the various branches of the Canadian Armed Forces. A special attraction will be the new Canadian-designed electronic sortation system for post offices. The machine can sort mail into any one of 10,000 pigeon holes at a speed of ten letters a second. Its inventor, Dr. Maurice Levy, will read a paper on his machine at the convention.

One hundred and thirty-two technical papers will be given by engineers and scientists during the three-day convention, October 1, 2 and 3. The convention and exposition are open to all technical-minded persons, doctors, teachers and students, as well as members of IRE. Visitors are expected from the United States and abroad. Both the convention sessions and the exposition will be held in the Automotive Building at Exhibition Park. For full details, write to: Canadian IRE Convention, 745 Mount Pleasant Road, Toronto 12.

Women's Fashions and Accessories

MANUFACTURERS AND PRODUCERS OF FASHIONS from the United States and abroad are invited to show in the first "Fashion-O-Rama", to be held in the recently completed New York Coliseum October 27 to November 4, inclusive.

Management of the fair expects more than 900 exhibitors from all 48 states and many foreign countries. Show space in the four-storey building is said to be greater than 12 football fields. Space costs $5.00 a square foot on the first and second floors, $4.00 a foot on the third and fourth. There is no

emium for choice locations. The public is not permitted to buy during the show nor exhibitors to solicit.

fashion authority has been retained by the management to produce and co-ordinate any fashion shows or exhibitors. The auditorium has been reserved for that purpose and the production charges will be prorated among those taking advantage of the show acilities.

urther information is available from FASHION-)RAMA CORP., 353 West 57th St., New York 19, N.Y.

Two for the Cycle Trade

THE NEW AND THE WELL-TRIED in cycles—bicycles, mopeds, motorcycles and scooters—will be unveiled at two European fairs dedicated to these small but convenient vehicles. One, the 31st British Cycle and Motorcycle Show, is national but is open to business visitors from all over the world. The other, the 3rd International Cycle and Motorcycle Exhibition in Frankfurt, Germany, accepts foreign exhibitors and, of course, visitors.

The British show is being held this year from November 10th to 17th in Earls Court, London. Free season admission tickets, which also entitle the holder to a copy of the official catalogue, will be sent to overseas buyers on application to the Secretary, The British Cycle and Motorcycle Industries Association Ltd., The Towers, Warwick Road, Coventry. Besides the machines themselves, the show will have exhibits of motors, tires, components, and accessories, and also sports, hiking and camping equipment.

The German-Canadian Trade Promotion Office, 185 Bay Street, Toronto, can provide all the details about the cycle show in Frankfurt, which runs from October 21st to 28th. The cabin scooter will appear for the first time at this show, and motorcycles with single unit motor and gear and mufflers that reduce noise to automobile level are expected to excite buyer interest. Most of the motor scooters shown will have an electric starter and there will be models with continuous gear transmission and electrical gearshifts. Motors, tires, accessories and special purpose clothing and equipment will round out the displays.

This is part of the Canadian booth at the International Trade and Travel Exhibition in San Francisco this summer. Handwoven materials, pottery and Indian sweaters were featured.

Coming. . .

IN CANADA

National Gift Show, October 9-12, Exhibition Park, Toronto. For information: Angus Baxter, Show Merchandising Ltd., 9 Duke Street, Toronto.

Food Show, October 22-28. For information: Association des Detáillants en Alimentation du Québec Inc., 1290 St. Denis Street, Montreal.

Business Equipment Show, October 30, Montreal. For information: K. L. MacMilland, Vice-President, National Office Management Association, P.O. 660, Montreal.

Packaging Exposition, November 6-8, Exhibition Park, Toronto. For information: C. R. Corneil, 916 Yonge Street, Toronto.

Royal Agricultural Winter Fair November 9-17, Exhibition Park, Toronto. For information: J. Johnston, Coliseum Building, Exhibition Park, Toronto.

OVERSEAS

39th Medical Exhibition, November 12-16, Royal Horticultural New Hall, Westminster. For information: The British and Colonial Druggist Ltd., 194-200 Bishopsgate, London, E.C. 2.

3rd Hardware Trades Show, February 25-March 1, 1957, Royal Horticultural Society's New and Old Halls, Westminster. For information: The Organizing Secretary, 74 Holland Park, London, W. 11.

How DBS Can Help the Exporter

Canadian exporters can use the material issued by the Dominion Bureau of Statistics in ways that vary with the individual firm and with the type of business. This article, fifteenth in our series on the techniques of export trade, discusses DBS publications of general interest to foreign traders; an annotated bibliography of more specialized ones will appear in our next issue.

R. J. LOOSMORE,
Assistant to the Director, Industry and Merchandising Division, Dominion Bureau of Statistics.

THE FIRST THING which an exporter wants to know is whether goods of the type which he wishes to sell abroad are already being exported. If they are, he wants to know in what quantities, their value f.o.b. the point at which they are consigned for export, and where they are going. This information he can find in a number of publications.

The basic document about exports is Volume II of the annual publication, *Trade of Canada* ($5.00 per set of three volumes, single volumes $2.00 each). This shows the exports of different commodities or commodity groups. For each one, the quantity and value of exports to individual countries are given, as well as a total for exports as a whole. A comprehensive index lists the commodities shown, so that it is easy to find one's way through the publication.

Similar figures are given monthly in *Exports* ($5.00 per year, single copies 50 cents). This publication gives figures for the current month and for the year to date. It has no index but the commodities are arranged in the same order as in the annual publication. The easiest way to use the monthly data is in conjunction with an annual volume. *Trade of Canada* gives the commodity code for each item, and when this has been established, it is easy to find the commodity in the monthly publication because the commodity code numbers are given there in the right-hand column of each page.

Exports by Countries

The exporter may, however, be more interested in a particular country than in a particular type of export. In this case, he will be more interested in facts which are arranged by countries.

Both the annual and the monthly publication give summaries of the total value of exports to individual countries. Similar totals are also given monthly in *Domestic Exports* ($2.00 per year, single copies 20 cents). This publication breaks down total exports of all countries into commodity groups, such as machinery or fertilizers. Exports to the United Kingdom and the United States are shown by major groups, such as iron and its products, or chemicals and allied products.

The best source for data by individual countries is the quarterly *Articles Exported to Each Country* ($2.00 per year, single copies 50 cents). This gives the total value of exports to each country and lists, for each, the quantity and value of the individual commodities exported. The commodity breakdown is as detailed as that in *Trade of Canada* Vol. II. For each country, commodities are listed in the order of their commodity code numbers. Each issue of *Articles Exported to Each Country* gives data for the current quarter and for the year to date. An exporter whose requirements are met by annual figures would need only the December issue.

Foreign Trade Reviewed

The Review of Foreign Trade comes out twice a year. The *Review of Foreign Trade, First Half Year* (50 cents) includes summaries of a number of trade

atistics. Among them are data on the value of exports, main groups and principal commodities, in total d to the following areas: United Kingdom, United ates, Europe (except the Commonwealth and eland), the Commonwealth (except United King-om) and Ireland, and Latin America. The dollar lue of total trade with each individual country is so given. The *Review of Foreign Trade, Calendar ear* (75 cents) includes similar information for the lendar year and also gives exports to 30 countries, ith value data on the principal commodities. The ountries chosen are the thirty leading ones in Canada's tal trade. A breakdown of total exports by the ctions and divisions of the Standard International rade Classification is also included. Both these publi-ations contain descriptive text which outlines the oreign trade picture and indicates significant changes.

elated Exports

usinessmen may find it profitable to study the exports ot only of their own products but also of goods ormally used in connection with them. A manufac-urer of can-openers, for instance, might be interested n exports of canned food, because these indicate a otential market for can-openers. A manufacturer of ubricating oils and greases might be interested in the xports of machines, because these will require lubri-ating when in use. Lumber, nails, woodworking tools and roofing materials are often used together, and the manufacturer of one of them might be interested in he exports of any of the others. Of course, a country may import one article and produce the associated tems locally. None the less, many businessmen would ind it worth their while to scan the trade statistics quite widely, to see what hints about a potential market they can find by observing the exports of items which are used in conjunction with their own products. Users of the Canadian goods already exported should be easier to sell to, because of their experience with Canadian quality.

Origin of Exports

The parts of Canada from which existing exports come might well be of interest to the potential exporter, as giving an indication of the effects of location and hence of the transport factor. Figures on this are not directly available but some clues can be obtained from informa-tion about the seaports through which goods are shipped. The annual *Shipping Report* ($1.00 per set of three sections, individual sections 50 cents each) should be used for this. Section 1 gives the type and quantity of cargo loaded, the country of destination, and the country of registry of the vessel. These data are given for three geographic regions: the Atlantic and Lower St. Lawrence River ports (including Montreal), Great Lakes and Upper St. Lawrence River ports, and Pacific ports. Section II gives, for every port in Canada, the quantity of individual com-modities loaded for export. It does not, however, give their destinations. *Canal Statistics* (25 cents) gives, for individual canal systems, the amount of commodities carried en route from Canada to the United Kingdom and other countries. *Trade of Canada,* Volume I, gives the total value of exports from each customs port. It also contains summaries of the export data included in Volume II.

The publications described above make up the basic reference materials on exports. They are compiled directly from the information about individual export transactions which reaches the Bureau. Care is taken, of course, to draw up the totals in such a way that the details of individual transactions are not disclosed.

Secondary Information Sources

Much of the information from these basic sources is repeated in other Bureau publications, to give the export angle of a study of the economy in general or of some particular sector of it. *Canada Year Book* ($4.00 clothbound, $1.50 paperbound) is the most important of the secondary sources. It contains each year a chapter on foreign trade which gives a general review of the situation, together with statistical tables showing trade with different countries and trade in different commodities. Articles dealing with individual sectors of the economy may contain export data on various commodities. The shorter version of the *Year Book, Canada* (75 cents) also contains a chapter on foreign trade.

Other publications which deal with individual sectors of the economy also contain export data. For instance, a recent consolidation of the available statistics on energy, Reference Paper No. 69. *Energy Sources in Canada—Commodity Accounts for 1948 and 1952* ($1.00) gives total exports for a number of fuels.

Many of the annual volumes of the *Census of Industry* contain material on the exports and imports of the main products of the industry concerned. The reader who is primarily interested in one industry gets a fuller picture of its place in the economy than he could obtain from production data alone. In some cases, tables are given which show the balance between supply (which is built up by production and imports) and demand (which consists of domestic disappearance and exports). A number of quarterly and monthly surveys carried out by the Industry and Merchandising Division also carry export trade data, for the convenience of readers. This enables them to study the latest trade figures at the same time as the latest production data.

The Agriculture Division also includes export data in a number of its publications and the Public Finance and Transportation Division includes some, in addi-tion to the shipping data already mentioned.

An annotated bibliography of publications in these more specialized fields will be published in the October 13th issue of *Foreign Trade.*

Information on Publications

The Bureau's publications are listed in *Current Publications,* which is available free from the Information Services Division. This pamphlet contains an index for commodities from abrasives to zirconium, showing where to find statistics about them. It should be in the hands of all users of Canadian statistics.

Publications can be obtained from the Information Services Division, Dominion Bureau of Statistics, Ottawa. Orders should be accompanied by a cheque or money order made payable to the Receiver General of Canada. The group subscription rate, which covers all regular periodical reports, costs $30.00 per year. Memoranda published on various subjects cost $15.00 per year for a group subscription. Reference papers—which contain the results of special projects on such subjects as the supply and distribution of energy sources in Canada, cost $5.00 per year. (If issues do not reach a total of $5.00, a credit is allowed.)

United States Passes Fisheries Act

Expansion of markets for fish products and providing funds for conservation and for research into fisheries problems are main purposes of new fisheries act passed by the 84th Congress. Here is a brief explanation of the background of this bill and its main provisions.

H. A. GILBERT, *Commercial Secretary, Washington.*

CANADIAN FISHERIES AND FISH PROCESSORS should be particularly interested in a new fisheries bill passed recently by the United States Congress. Known as the Fish and Wildlife Act of 1956, its basic purpose is to expand the market for fish in various ways and to provide funds for research into various fisheries problems. Because of the close co-operation between the two countries in fisheries matters, and because the U.S. market is important to our fish exporters, the effects of the bill will be closely watched in Canada. In the long run, it may well benefit the Canadian producer too.

The initiative of those interested in U.S. commercial fisheries brought about the introduction of the bill; they helped to draft it and drummed up the necessary support to induce Congress to consider it before the end of the session, despite a heavy legislative calendar. In the dying days of the Congress, a conference of representatives of the two Houses finally agreed on a compromise bill. This satisfied those with divergent views whose interest had been aroused by reports of the public hearings conducted by the Senate Interstate and Foreign Commerce Committee and the House Committee on Merchant Marine and Fisheries. Late in these proceedings the conservationist groups began to make their wishes known and to present their reasons for proposing the inclusion of sports fisheries and wildlife in the proposed legislation. Thus, although the first idea was to consider in the bill commercial fisheries only, the final legislation covered sports fisheries and wildlife as well.

The bill which Congress finally passed became law on August 8, 1956, when the President signed it; it is officially known as the Fish and Wildlife Act of 1956, Public Law 1024.

What the Act Does

• States in general terms the importance of the fish, shellfish, and wildlife resources to the United States and sets forth the attitude of Congress in a policy statement.

• Outlines the fundamental needs that must be met if the fishing industry is to prosper and defines these as

reedom of enterprise, protection of opportunity, l government assistance like that provided to ustry.

Creates a new Fish and Wildlife Service with greater ponsibilities and expanded powers, and strengthens position and status of commercial fisheries in the partment of the Interior.

Provides for government assistance to the fishing lustry through such services as the following: current ormation on fish production and markets, market omotion and development, extension, and a revolving an fund.

Provides funds for research into economic and chnological development and resources conservation, d for resource management to assure maximum stained production for the fisheries.

sh and Wildlife Service Reorganized

he Act establishes for the first time within the Department of the Interior the position of Assistant Secretary r Fish and Wildlife and creates the position of Commissioner of Fish and Wildlife; the President will ppoint both of these men on the advice of the Senate. he United States Fish and Wildlife Service will be ivided into the Bureau of Commercial Fisheries and e Bureau of Sports Fisheries and Wildlife, with a irector for each.

The newly created Fish and Wildlife Service will eplace the existing Fish and Wildlife Service of the Department; the Commissioner will administer it under the supervision of the Assistant Secretary. The Bureau of Commercial Fisheries will be responsible for legislation related to commercial fisheries, whales, seals, sea lions, and the like. The other Bureau will be responsible primarily for migratory birds, game management, wildlife refuges, sports fisheries, sea mammals (except whales, seals and sea lions), and similar matters. The funds and allocations appropriated are to be distributed between the two bureaux as the Secretary of the Interior decides. The reorganization within the Department of the Interior is to be accomplished as soon as practicable, and not later than November 6 this year.

Revolving Loan Fund Established

The Act provides for a $10 million revolving loan fund subject to the following regulations:

(1) Loans to bear an interest rate of not less than 3 per cent a year.

(2) Loans to be repaid in not more than ten years.

(3) No loans to be made for any purpose if money is otherwise available on reasonable terms.

(4) Loans to be authorized for the following purposes: financing and refinancing of operations; maintenance replacement, repair and equipment of fishing gear and vessels, and research into basic fisheries problems.

Reports to Congress

It is stated in the Act that the Secretary of the Interior is to report to Congress annually on the United States Fish and Wildlife Service, and make recommendations for any additional legislation he thinks necessary; he is also authorized to report to the President. The Secretary will also report, when requested, to the United States Tariff Commission in connection with Section 7 of the Trade Agreements Extension Act of 1951, as amended; to investigating commissions under the Tariff Act of 1930; or to any part of the U.S. fishing industry, on the following matters concerning imports of fishery products:

- Whether there has been a downward trend in fish production, employment in the fisheries, or in fish prices; or a decline in the sales of a like or directly competitive fish product produced by the domestic industry.

- Whether there has been an increase in imports of fishery products into the United States, either actual or relative to the production of like or directly competitive fish products produced by the domestic industry.

Other Provisions

The Fish and Wildlife Act of 1956 makes permanent the Saltonstall-Kennedy Act but removes the $3 million ceiling on the funds available under it. The Saltonstall-Kennedy Act (1954) was enacted to help move United States fishery products and to provide for research.

Other sections of the new act provide for the Secretary of the Interior to conduct continuing investigations, prepare and disseminate information and make periodic statistical reports to the public, the President and Congress. The act arranges for the transfer of fisheries functions and assistance by other government agencies to the Fish and Wildlife Service. Co-operation with the State Department is called for and the Act stipulates that the Fish and Wildlife Service is to be represented at all meeting and conferences relating to fish and wildlife in which representatives of the United States and foreign countries participate. Provisions are made so that the Act will not interefere with the rights of the States nor with the authority of an international commission established under a treaty or convention to which the United States is a party.

Anyone interested in full details may obtain a copy of the Fish and Wildlife Act of 1956 from the Superintendent of Documents, Government Printing Office, Washington, D.C., for a nominal cost of five cents. ●

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Kariba Project Moves Forward

With granting of World Bank loan, near-completion of preliminary work, and letting of two main contracts, great Kariba scheme is well under way; power is expected to flow in 1961. Here is up-to-date picture of project and its implications for the Federation.

WILEY J. MILLYARD,
Trade Commissioner, Salisbury.

THE GIANT KARIBA DAM SCHEME on Rhodesia's Zambesi River has made recent headlines in the world's financial press. Late in June the World Bank approved a £28·6 million ($80 million) loan, the largest ever granted for a single project. This was followed a few weeks later by an announcement that the two main contracts, under open tender, had been awarded to Italian firms. With the funds thus assured and the bulk of the contracts let, it now remains to get on with the job. The objective is to complete the first stage of the project by the target date of 1961, when five of a total of twelve turbines are to begin to generate power.

There was some criticism in both Rhodesian and British press circles about the awarding of the biggest contracts in this vast undertaking in British Africa to Italian firms. However, more objective comment pointed out that since the main Italian bid was £1·5 million below the nearest competitor, and with the World Bank furnishing over one-third of the financing, there was virtually no alternative but to make these awards. The successful Italian bidders both have offices in Rhodesia.

Contracts announced so far amount to £52 million, with another £4 million for main and auxiliary switchgear outstanding. British firms, through direct and sub-contracts, will furnish about £20 million worth of equipment. With Rhodesia supplying the 400 thousand tons of cement for the Dam as well as most of the labour, it is estimated that only about 23 per cent of the total cost of £80 million for the first stage will be spent outside the Commonwealth. Since the foreign component of the loans for this portion of the project amounts to approximately 22·5 per cent, charges that sterling will be used to purchase foreign services and equipment are not well founded.

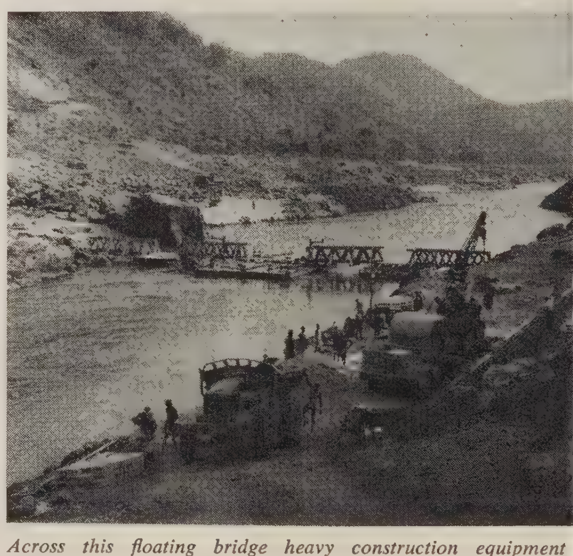
Principal contracts (exclusive of sub-contracts) awarded to Commonwealth bidders were as follows:

Cementation Company, London	Preliminary works, £1,593,780
Boving & Co. Ltd., London	140,000 B.H.P. water turbines, £1,072,583
Metropolitan Vickers, Manchester	100 M.W. water turbine generators, £1,772,065
English Electric Co., Stafford	330 K.V. generator transformers, £622,500
Ferranti Ltd., Hollinwood	Sub-station transformers, £1,333,200
Babcock and Wilcox, London	Overhead cranes, £108,292
Parsons and Company, Newcastle	Shunt compensating reactors, £191,920
Richard Costain (S.R.) Ltd., Salisbury	Housing and associated works, £3,523,175
Kariba Transport Co., Salisbury	Transport, £2,000,000

Several Canadian manufacturers tendered on the electrical equipment but none was successful.

Preliminary Work Begun

So confident was the Government of the Federation last year about the soundness of the Kariba scheme, and about the fact that essential loans from abroad would be forthcoming, that it decided to start on the preliminary work with local public funds. By taking advantage of the dry season and low water in the



Across this floating bridge heavy construction equipment moves up the Zambesi River gorge near the site of the giant Kariba dam; first stage of the project will cost £80·6 million.

second half of the year, a large part of the preliminary work was successfully completed. In order to save time, this work was awarded without tender to the Cementation Company of London which had all the necessary skill and equipment in Rhodesia; within two weeks tunnelling had begun. This bold move on the part of the Government in effect saved a whole year of construction time because the preliminary work can only be performed in the dry season. Now this work is largely completed and Impresit, the Italian firm, can move in and carry on with the main contract.

Had the World Bank turned down the Kariba scheme, the Government would have been in a most difficult position and there was great relief when the Bank formally announced approval of the loan application. A breakdown of the financing shows that assistance will be forthcoming from several sources, as follows:

World Bank	£28·6 million
Colonial Development Corporation	15 "
Commonwealth Development Finance Co. Ltd.	3 "
Northern Rhodesia copper companies	20 "
The British South Africa Co.	4 "
Barclay's Bank D.C.O.	2 "
Standard Bank of South Africa	2 "
	74·6 million
Government of the Federation, up to	6 million
Total	80·6 "

Repayment of the principal and interest on the loans has been so arranged that revenue from the sale of power will provide the necessary funds and in this way the burden will not fall on the taxpayers of the country.

Economic and Social Effects

Even in the year since preliminary work was begun, great changes have taken place in the Kariba Gorge. Where formerly there was only rough underbrush, a busy camp now stands complete with machine shops, offices, stores, houses for both African and European personnel, medical centre, recreation club and post offices. A good dirt road has been built out to the main highway, 50 miles away, and the 200 miles to Salisbury can be covered by auto in about four hours. A few miles from the campsite an airport, capable of landing D.C.-3's, is in operation, while across the river a strong suspension bridge has been built. On both sides of the steep gorge the scars from the tunnelling in the preliminary work stand out sharply.

With the main work of building the 400 ft. high Dam about to begin, work is going ahead on building a full-fledged township with housing units, schools, churches, etc., for a white population of over 1,000 and seven or eight times as many Africans. Because the Dam will create a lake 200 miles long and up to 40 miles wide, thousand of acres of forest lands will be inundated. This means that 22,000 Africans must be evacuated and the migration will take place over the next 18 months. This in itself is a gigantic project and 500 miles of new road have been pushed through wild country to allow trucks to move these people to higher sites above the area to be flooded.

Second Stage to Follow

Although power is scheduled to flow in 1961, not until 1963 will the waters have risen high enough to allow the dam to reach its full potential of nearly four billion kilowatt hours a year. The second stage will follow at a later date as the need for more power arises. The first stage will incorporate an underground power station on one side of the river equipped with five 100,000 kilowatt units and the second stage will see an additional turbine, plus the installation of a similar station on the opposite side of the Dam with another six turbines. Once the full scheme has been completed it is expected that 1·2 million kilowatts of hydro-electric power will be generated to all parts of the Federation. To do this, 925 miles of high-voltage transmission line must be built from Kariba to link up with the main centres of Northern and Southern Rhodesia.

The biggest consumer will be the burgeoning Copper-belt of Northern Rhodesia with its large-scale copper mines which hitherto have had to depend on thermal electric power from coal, a high-cost propostion. From the latter part of 1956, however, the mines will obtain hydro-electric power from the Belgian Congo, but the Congo will require all its own power by 1961, just about the time that Kariba is ready to take over.

Future Effects

The full effects of Kariba on the economy are difficult to forecast at this juncture, but their ramifications are wide and varied. Expensive thermal power will be replaced by cheap hydro-electric power and this is expected to reduce the cost of living and to bring electricity to thousands of Africans who cannot afford it now. In the wake of cheap power, new secondary industries will probably spring up. Lake Kariba will undoubtedly become a tourist attraction and it is expected that an important commercial fishing industry will develop capable of producing a possible 9,000 tons of fish eventually and thus relieving the ever-growing demand for beef. Nor must the agricultural effects be overlooked, for the lake will form a reservoir to irrigate thousands of acres of arid land and soil tests and climatic conditions seem to promise that sugar cane and cotton growing will be practicable. Kariba is the greatest project of its kind ever to be undertaken in this part of the world and its beneficent influence on the infant Federation will be felt for years to come. ●

commodity notes

Argentina

NEWSPRINT—The Argentine Central Bank has announced its decision to grant exchange permits for 140 thousand metric tons of newsprint for 1957 needs. It is expected that exchange will be granted on the basis of 75 per cent at the official rate (18 pesos to the dollar) and 25 per cent at the prevailing free rate—Buenos Aires, Sept. 7.

Australia

ASBESTOS—Australian Blue Asbestos Ltd. is planning to produce 8,000 to 9,000 tons of blue asbestos this year and to increase output to 12,000 tons next year. In 1959, it hopes to produce 18,000 tons. By September 1956 the treatment plant will be able to handle 15,000 tons a year, but the development program is not far enough advanced to keep pace. Most of the West Australian blue asbestos is sold to the United States—Melbourne, Sept. 2.

Chile

NITRATE—Nitrate production for the period from July 1, 1955, to June 30, 1956, is reported at 1,343,672 tons, compared with 1,486,782 tons for the previous year—a decrease of 143,110 tons, largely because of labour unrest. Nitrate ranks second only to copper as a source of Chile's foreign exchange—Santiago, Sept. 3.

Denmark

TRACTORS—Imports of tractors (5,531) have increased substantially in the first five months of this year, exceeding by 50 per cent those of the corresponding period last year. They reached their peak in 1954, when 11,396 were imported. On the basis of the figures for the first five months of 1956 it is estimated that this record may be exceeded this year. However, sales in the first five months exceeded those made in the same period of 1956 by only a good 10 per cent—Copenhagen, Sept. 5.

FURNITURE—Danish furniture is enjoying increasing success in foreign markets; exports have risen from over 2 million D. kr. in 1950 to 22·3 million in 1955, and 16·5 million the first half of 1956—nearly double the figure for the same period in 1955. In May, the USSR was added to the list of customers, with an initial order worth 22,000 D. kr. Half the volume exported goes to the United States, which bought 8·3 million D. kr. worth in the first half of 1956. Other sales in that period were to Sweden, 2·5 million D. kr.; West Germany, 1·4 million, and Canada, 1·3 million D. kr. Outside of Europe and North America, French Morocco and Iran are the most important customers—Copenhagen, Sept. 5.

Finland

NEWSPRINT—United Paper Mills of Finland has recently started up the second machine at its new Kaipola newsprint mill near Jamsankoski; the first machine went into operation in August 1954. Annual capacity of the mill is now approximately 120 thousand metric tons—Stockholm, Sept. 10.

India

TEA CHESTS—Production of tea chests in India is increasing steadily; 91 million square feet of tea-chest plywood was produced in 1955, compared with 60 million square feet in both 1953 and 1954. Quality of the chests has also improved as a result of the compulsory inspection system introduced in 1954. Consequently, the value of tea chests and parts imported into India in 1955-56 was only Rs.900 thousand, compared with Rs.1·2 million in 1954-55, Rs.1·8 million in 1953-54 and Rs.6 million in 1952-53. Almost half of the tea chests currently imported come from Finland—New Delhi, Aug. 30.

Israel

OIL—A fifth strike was recently made in Israel's first oilfield at Heletz in the Negev desert, north of the Gaza strip. Oil was first discovered in this field in September 1955. It is reported that the Heletz wells are now producing at an annual rate of between 45,000 and 50,000 tons of crude, which will help to

duce the present high expenditure of $40 million year for imported fuels. It is further reported that estimated 32,000 tons of fuel gas, a by-product of . purification, will be produced this year—Athens, pt. 7.

Jamaica

COFFEE—In 1955 Jamaica exported a total of 989,707 pounds of coffee valued at £1,069,590 f.o.b., (an all-time high) compared with 4,861,880 pounds (£997,000) in 1954. The average price per hundredweight in 1955 was 400 s. and in 1954, 450 s. London, New York, Toronto and Montreal are the four large marketing centres. Marketing is done by a government-appointed board. In recent years cultivation has been improved, the industry has become better organized, and output has risen—Kingston, Sept. 5.

New Zealand

TIMBER—New Zealand's timber industry is preparing for a new sales drive in Australia; a six-man delegation will visit that country to seek a wider market for radiata pine. Timber is one of New Zealand's big hopes in the export market; in the first six months of 1956, 12·5 million feet were sold, but this represented only half the total hoped for. Radiata pine from New Zealand has displaced a certain amount of European pine previously imported into Australia. It has not as yet made an impression on Oregon pine, imports of which total about 170 million feet a year.

New Zealand will try, with the help of her timber specialists in Sydney, to expand timber sales and no doubt will use as a strong argument the fact that the landed cost of what she has to offer is 15 to 20 per cent less than for competitive timbers—Wellington, Aug. 27.

Singapore

POLYTHENE TUBE—Hume Industries (Far East) Ltd. has announced the first extrusion of polythene tube in its Singapore plant. Technical assistance for this new development was provided by Imperial Chemical Industries Ltd. The firm will produce in diameters of from ½″ to 2″ and larger sizes can be made on request. The tube will be for cold water use, including irrigation, sprinkler systems, etc.—Singapore, Aug. 24.

Spain

WOOD PULP—A new company, Fabrica de Pasta de Celulosa al Sulfato de Galicia, is to be set up for the production of wood pulp, under the auspices of the Spanish National Institute of Industry. The factory will be situated at Lourizan near Pontevedra, and will cost some 500 million pesetas. Output of 20,000 tons of raw pulp and 10,000 tons of unbleached pulp is planned initially, but it is hoped to double production eventually—Madrid, Aug. 27.

Sweden

PLASTIC LIFEBOATS—Plastic lifeboats, said to be very durable, are being manufactured by AB Scatra, Göteborg, Sweden. Production includes one which is 3·4 x 1·2 metres, weight capacity 500 kilos, weight 75 kilos, and suitable for outboard motors of 1·5 to 3 h.p. Three other types are available—Stockholm, Sept. 5.

Uruguay

WOOL—According to the latest reports on wool movement, shipments from October 1, 1955, to July 31, 1956, totalled 209,865 bales, compared with 104,377 bales for the same period in the previous season.

Principal destinations were: Netherlands 65,900 bales, United States 38,846 bales, and Great Britain 22,126 bales. This practically concludes activities in the wool trade for 1955-56—Montevideo, Sept. 8.

Venezuela

TIRES—C. A. Goodyear de Venezuela has opened a new tire plant at Los Guayos near Valencia, the new industrial centre in north central Venezuela. Production will begin in September 1956, with a daily output of 500 to 600 tires. Approximately 70 per cent of the raw material used will be synthetic rubber. Production from this plant, combined with that from the new U.S. Royal of Venezuela plant (July 1956), will swell this country's annual output to 592 thousand tires. Firestone and General Tires are other ranking producers contributing to this total—Caracas, Sept. 5.

West Germany

TYPEWRITERS—According to estimates made by "Fachgemeinschaft Bueromaschinen" (Association of Office Machinery Manufacturers) typewriter production in West European countries rose from 628 thousand in 1950 to 1,400,000 in 1955. This 1955 figure is said to be larger than that for North American production, which in 1955 reached some 1,200,000.

West Germany today ranks first among European producers of typewriters. In 1955 production in the Federal Republic reached 568 thousand; Italy followed with 280 thousand, and the United Kingdom was in third place with 247 thousand. One-third of total German production by value was exported, mainly to Europe (DM39 million), Latin America (DM22 million) and North America (DM10·7 million —Bonn, Sept. 5.

The Timber Market in Venezuela

Canada's share of this $3 million timber market rose to 11 per cent last year; easier credit terms could increase our sales. Best opportunities for Canadian exporters lie in supplying large timbers which are exempt from import duties if they meet minimum measurements.

H. LESLIE BROWN,
Commercial Counsellor, Caracas.

VENEZUELA imported over $3 million worth of timber in 1955, nearly double the 1954 figure of $1·6 million. Canada obtained 11 per cent of this business, a great improvement over our share in 1954 of a scant 1 per cent.

Large timbers over 25 centimeters (9·85 inches—say 10 inches to be certain) on each face provide the best sales opportunities for Canadian producers. Item 472 of the Venezuelan customs tariff provides that white pine, pitch pine and Douglas fir from most-favoured-nation countries such as Canada are exempt from the payment of import duties when they meet the minimum measurements given above. Although some of the timbers are used as they are, cut to length, the bulk goes to the local sawmills which re-saw into boards as needed, especially for concrete forms.

Imports of Large Timbers

Venezuelan trade statistics are not broken down in detail but they do show imports of large timbers separately under item 472, as follows:

	1954		*1955*	
Country	*Metric tons*	*Bolivars**	*Metric tons*	*Bolivars*
Honduras (Republic)	17,683	2,501,686	29,973	5,329,812
United States	18,681	2,850,676	22,912	3,643,661
CANADA	278	52,231	7,092	1,134,172
Dominican Republic	200	34,461	261	45,112
Austria	213	46,444	84	19,551
Others	....	....	737	118,446
Total	37,055	5,485,498	61,059	10,289,754

* To convert bolivars to dollars, multiply by 0·3.

The strength of the demand in 1955 can be seen not only in the marked increase in total volume but also in the appearance on the market of supplies from countries which have not previously sold this size and these types of wood to Venezuela. Listed under "others" were: El Salvador, Bs50,384; Finland, Bs33,533; and British Honduras, Bs19,443.

Obviously, the Republic of Honduras and the United States are getting the bulk of the business—over 87 per cent by value in 1955. The reason is clear: these countries have the kind and size of wood wanted and both are traditional sources. (Most of the United States timber is southern pine from the Gulf states; less than 15 per cent is Douglas fir.)

The big improvement in Canadian timber sales in 1955 is the result of competitive prices offered by the principal exporters, prompt delivery and good quality. But Canadian producers could increase their share of this lumber market (worth $1,645,500 in 1954) if letter-of-credit terms were relaxed. Honduran and Gulf suppliers usually grant up to 90 days. Venezuelan importers are reluctant to set up letters of credit in advance of arrival because domestic interest charges are high and money is tight. Because of the length of time between establishing the credit and actual delivery, interest may run for three months and add substantially to costs, especially on a large order.

Tariff on Other Lumber

The Venezuelan re-sawing industry is protected by a high tariff: sawn lumber of 25 centimeters (9·85 inches) or less in cross-section on each face is subject to an import duty of Bs0·24 per gross kilogram. To give an example—this duty of 3·2 cents per pound works out to about $90.56 per M. f.b.m. for airdry Douglas fir and $77.44 per M f.b.m. for airdry western

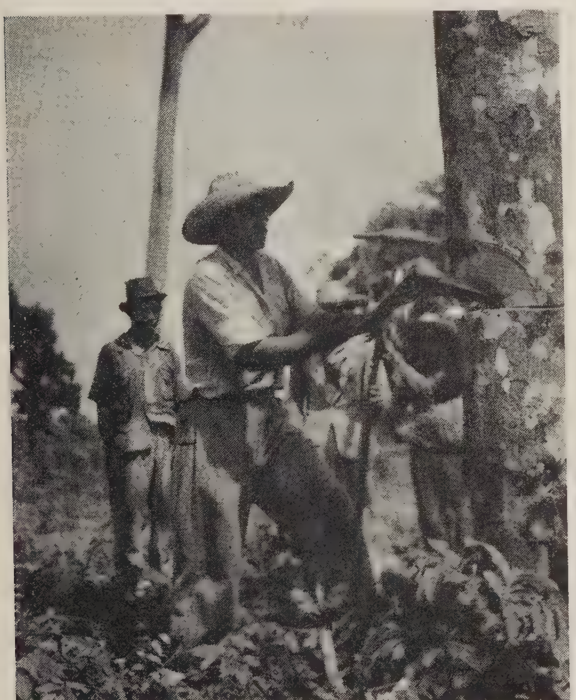
hemlock. Ordinary lumber, planed or tongued-and-grooved, is assessed at the rate of Bs0·60 per gross kilogram which, even on western hemlock, comes to $193.60 per M f.b.m., airdry.

Actually, there is a preferential duty of Bs0·15 per gross kilogram on rough sawn lumber of pitch pine, ponderosa pine, sugar pine, Douglas fir, spruce, hemlock, redwood, cedar and southern cypress. Canadian products enjoy this preference, but even so the duty is sufficiently high to make imports from Canada of this size of timber very difficult.

United States Sales

Venezuelan statistics do not show sawn lumber separately but include it in the "basket" item given below. Because United States sales account for over 40 per cent of that item, U.S. export statistics provide a general indication of the types of wood products included. These 1954 figures show that the business is varied and that few items stand out in importance.

Piles	$20,762	Hardwood flooring	13,554
Other unmanufactured wood	10,077	Tight barrel staves, used	$10,500
Douglas fir, up to 5 in.	6,836	Tight headings	740
Southern pine, up to 5 in.	53,608	Slack barrel staves	2,000
Spruce	7,273	Slack barrels	70,712
		Used empty barrels	8,656
		Cooperage n.o.p.	2,360



These Venezuelan woodsmen are at work in one of the forests which cover 40 per cent of their country's land area. Lumber production reached a record 97,102 M f.b.m. in 1953.

Veneers and plywoods are also subject to stiff import duties. Veneers are assessed at Bs1·00 per gross kilogram (about 13½ cents a lb.), plywood of common woods at Bs1·25 (17 cents a lb.), and plywoods of fine woods at Bs1·50 (20½ cents a lb.).

Market for Veneers and Plywoods

Again, United States sales in 1954 give an idea of the Venezuelan imports. There were no sales of commercial or container veneer; the business consisted of 134 thousand sq. ft. of fancy-face veneer worth $6,000 and 20,000 sq. ft. of special veneer valued at $7,624. These would be mainly for the Venezuelan plywood industry.

The most important item of plywood sold by the United States in 1954 was described as "technical type" and totalled 209,203 sq. ft. worth $86,323. Sales of special plywoods, such as those with one face of other than wood, amounted to 20,672 sq. ft. worth $10,893; soft interior plywoods came to 15,788 sq. ft. worth $4,014, and soft exterior plywood to 39,712 sq. ft. worth $8,589. It is clear that the protective duties are effective and that imports are limited to types not manufactured by domestic plants.

Venezuelan builders use sawn boards of local woods or imported timbers for concrete forms, rather than plywood. Imported plywood is too expensive and domestic plywood is not waterproof. Import duties on plywood are not likely to be lowered because this would open the market to foreign plywood and would upset the sawmilling industry as well as the plywood manufacturers. Consequently, boards will continue to be used for concrete forms, even though plywood is more economical in other countries.

Sundry Wood Imports

As noted above, imports of all other kinds of lumber —cross-section less than 25 centimeters per face, veneers and plywoods and barrels and staves—are grouped under one heading in the statistics. It is not possible to estimate the proportion of each but

VENEZUELAN IMPORTS OF SUNDRY WOODS

Country	1954 Metric tons	1954 Bolivars	1955 Metric tons	1955 Bolivars
United States	1,828	820,235	3,308	1,310,322
Italy	257	407,631	272	476,906
Spain	220	248,515	249	292,919
France	154	165,322	246	242,660
Austria	67	27,024	522	226,927
Germany	21	75,469	139	110,067
Dutch Guiana	63	68,006	56	61,722
CANADA	42	42,401	117	60,668
Chile	111	87,922	115	53,141
Japan	49	48,790	25	26,715
Others	338	170,512	764	272,990
	3,200	2,161,827	5,813	3,135,037

guesses could be based on the industries of the supplying countries. For example, Spain supplies plywood.

Imports of these other woods during 1955 also came from countries which sold little or nothing in 1954. The outstanding new supplier was the Belgian Congo, which accounted for 379 metric tons worth Bs182,467, or about half of the amount under "others" in 1955. On the other hand, Sweden and Finland practically disappeared from the market. There were no less than 15 other countries in the field but none sold more than a few tons with the exception of the Republic of Honduras with 205 tons worth Bs27,825 in 1955, compared with no sales in 1954.

Domestic Production

Venezuela's forest resources have never been fully surveyed and there is no accurate estimate of their extent and richness. Forests of one kind or another cover about 40 per cent of the land area, or some 140 thousand of the total 353,143 square miles. The wide ranges of temperature and rainfall, resulting from a tropical climate in a land with extensive low plains and high mountains, combine with differences of soil to provide suitable conditions for hundreds of varieties. Large tracts, particularly in the areas bordering on Brazil and British Guiana, are practically unexplored and most of the forests south and east of the Orinoco River are not exploited. The greater part of the forests is owned by the Government which grants concessions to independent operators, none of any size.

Venezuelan usage groups the principal local commercial woods under three classes: *fine*—cedar, mahogany, and apamate, used mainly in plywood and cabinet work; *hard*—samán, mora, and vera, for construction work such as railway ties, and *soft*—mijao, jabillo, and jobo, for general construction, plywood and cheap furniture. Local production fluctuates from year to year but is growing. It reached a record in 1953, a record that may have been equalled in 1955. The aggregate cut in 1953 was 229,101 cubic metres, which at 423·84 f.b.m. per cubic metre, is equivalent to 97,102 M f.b.m. Of this, 38 per cent was fine, 13 per cent hard, and 49 per cent soft.

There are no figures on veneer cut nor on output of plywood but trade estimates suggest that the five principal plywood manufacturers have a combined capacity of nearly 100 thousand square metres, or something over a million square feet a month. Plywood is made from the beautiful local woods, mainly mijao, cedar and mahogany. The bulk of the output is common stock used for furniture and interior work and the grain often shows up to advantage. The quality is not high but buyers accept it because it costs less than imported plywood and supplies are plentiful. ●

French Business in '56

INDUSTRIAL PRODUCTION IN FRANCE during the last half of 1956 should exceed that of 1955; commerce too should expand. Prices will probably rise. These are the considered opinions of the majority of a sampling of businessmen whose opinion was sought recently by the French National Institute of Statistics.

In general, 67 per cent looked for an increase in business activity, 28 per cent predicted stability or expressed some doubt, and only 5 per cent expected a decline. Interviewers found that heads of enterprises employing less than 100 persons were rather less optimistic than the executives of larger firms. Opinions varied too with the industry. The building materials industry, for example, looked for smaller increases than in some other sectors. The outlook for textiles, which lagged behind other industries last year, has improved and this improvement bids fair to continue although the clothing trades still face problems. The iron and steel, automobile, engineering, and paper industries all looked for improved demand. Among retailers, the larger organizations were more optimistic than the smaller ones.

Last year, a similar inquiry revealed that most of the businessmen expected an increase in exports; this year, opinion was not nearly so unanimous. The engineering, extractive and food industries looked for larger sales abroad; the metals, textiles and paper industries said that they expected their foreign sales to decline. The consensus was that exports to Algeria and other French overseas territories—particularly of textiles and clothing—would probably decline.

The majority of these business leaders did not anticipate any marked change in the labour force for the remainder of 1956, but some of them forecast a slight increase in hours of work. Some however—particularly in the leather, food, and some of the metal industries—expected to employ slightly more people; the textiles, wood and cork industries looked for a small decline in employment.

Most of the larger establishments forecast stable employment conditions; the smaller ones tended to expect small reductions. Nearly every executive interviewed looked for rising prices.

—A. L. NEAL,
Attaché, Canadian Embassy, Paris.

Christmas Trees for U.S. homes

With Christmas less than three months away, buyers from U.S., biggest market for Canadian trees, are already making contracts. Many of them come from Chicago; here is a brief description of how they carry on this seasonal business.

D. M. W. HUMMEL, *Assistant Trade Commissioner.*

IN THE NEXT FEW WEEKS, carloads of Christmas trees will begin rolling across the United States border—the first stage on their journey from Canadian forests to thousands of American homes. Last year, Canada exported 12·9 million Christmas trees worth $5·9 million—and 12·8 million worth $5·8 million were sold to the United States.

Last year about 2¼ million of these trees were unloaded at Chicago's Christmas Tree Team Track, a unique market. As many more were probably either received at Chicago and shipped on to other cities as far apart as Detroit and San Antonio, or were sold by Chicago wholesalers for direct delivery to widely scattered points, particularly in the South and Southwest. Of the 400 cars of Christmas trees unloaded in Chicago during the 1955 season, 382 came from Canada. Chicago wholesalers and the Christmas Tree Team Track therefore are vitally important to the Canadian Christmas tree industry.

Selling the Trees

Most of the wholesale dealers in Christmas trees in this area deal in juice grapes and watermelons during the summer—commodities regarded as highly speculative. Hardy individuals, they often operate thriving businesses using old railway caboose cars as a base. At night some of them sleep in these "offices" to protect their merchandise. At the crack of dawn they kindle fires in oil drums outside the cars in which the trees have arrived and display their wares against the sides of the cars. Lively trading begins early in the morning and prices are governed by weather, demand, and daily arrivals. Information on current arrivals compared with those for the comparable day of the previous season is furnished daily by the Market News Service of the U.S. Department of Agriculture.

Over 95 per cent of the Canadian trees unloaded at Chicago in 1955 came from the Maritimes, Quebec and Ontario; about 5 per cent were from British Columbia. Each year, shortly before the cutting season starts, representatives of the larger wholesalers go into the producing areas carrying cash and supplies of binder twine to tie up the tree bundles—and often their own labels, which are attached to the trees after cutting. In Canada they contract with local middlemen for the cutting, bundling and delivery of trees to rail cars. Often they are on hand during cutting and to ensure that the trees are of the promised type, quality and size.

A large dealer often purchases a substantial number of carloads. On his return to Chicago and well in advance of shipping, he sells many of these at wholesale throughout the country, frequently through his melon and grape business connections. Other cars are sold well in advance of arrival to chain stores, mail order firms with retail outlets, furniture chains and others. It is the custom of large retail houses to give the trees away or to sell them very cheaply to customers who purchase goods worth perhaps ten dollars or more.

Speculative traders offer Canadian Christmas trees to buyers in Chicago's unique Christmas Tree Team Track market which received 382 carloads of trees from Canada last year.

Trees sold in bulk in this way often go for cost or a moderate profit. Their value to the Chicago wholesaler is that they allow him to make much larger and more advantageous contracts with Canadian suppliers. Thus the unit cost of the remainder of the trees which are delivered to and unloaded at the Chicago Christmas Tree Track is lower and profit possibilities greater.

Points for Dealers

Most of the Canadian trees sold in and through Chicago are balsam fir, tied into bundles of up to six trees. The newly popular Scots pine enjoys increasing demand but is considerably more expensive. It is, however, ideal for "flocking", a process which involves spraying the tree with a white plastic coating resembling snow. In spite of their price, flocked trees are becoming more popular, particularly for store, window and institutional decorations.

The custom of using Christmas trees is well-established in the United States among people of all walks of life and national backgrounds. With a growing population and limited domestic supplies, the demand for Canadian trees should continue to increase. The trade, however, is a hazardous one, dependent upon suitable weather at the right time for cutting and on prompt delivery. Members of the trade in Canada should pay scrupulous attention to agreed shipping dates because a tree arriving only a day or two before Christmas is worthless. It is, in fact, a liability because it must be unloaded and burned.

The Deputy Consul General (Commercial), Canadian Consulate General, 111 N. Wabash Avenue, Chicago 2, Illinois, U.S.A., will be pleased to supply names of reliable wholesalers to Canadian shippers on request. Canadian suppliers, for their own protection, are urged to deal only with firms which this office recommends.

Japan Sells Sheet Glass Abroad

Canadian importers are turning increasingly to Japan as a source of sheet glass. The Japanese industry, which consists of two producers, has increased production to meet the new demands. By year's end, however, supplies may run short.

W. G. PYBUS, *Commercial Secretary, Tokyo.*

STIMULATED BY INCREASED DEMANDS at home and abroad, Japan's sheet glass producers boosted their production to a record 6·7 million cases in 1955. (1 case=100 sq. ft., 2 mm. thick).

Exports increased 10 per cent to 932 thousand cases, with Canada and the United States taking a larger share of the total. Canada bought 136 thousand cases in 1955 compared with 48,000 in 1954; in the same period the United States imported 144 thousand cases compared with 21,000 the previous year.

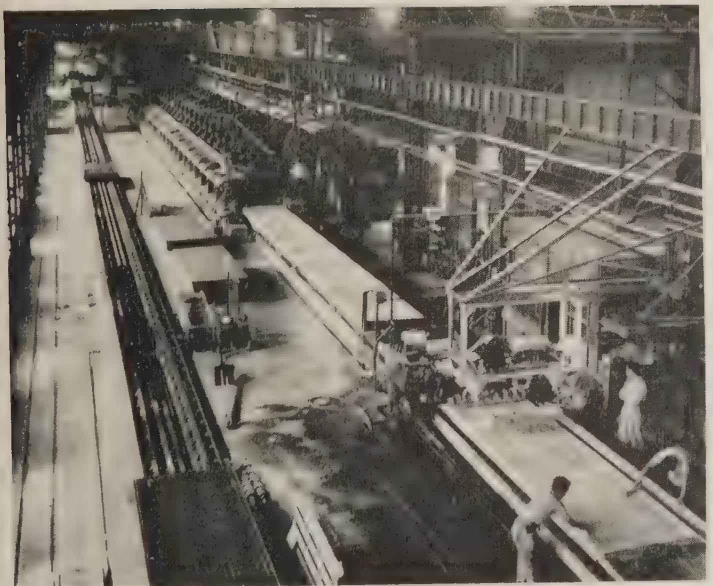
Heavy shipments to North America have more than compensated for a decline in exports to Near and Middle East markets. As a result of the increased demand, delivery periods for Japanese sheet glass are being extended and, if orders continue at the present pace, the supply position may become difficult towards the end of the year.

Silicate for the glass industry, formerly imported from Indo-China, now is supplied domestically, following the development of improved methods of treating Japan's abundant lower-grade silicate.

Expect Increase in 1956

Japan's sheet glass industry started in 1907 with the formation of the Asahi Glass Company. Ten years later the Nippon Sheet Glass Company entered the field and several other companies followed. Because of the dislocations caused in the industry during World War II, however, the smaller companies either failed or amalgamated with the two originals which now comprise the whole industry.

Asahi, which turns out 50 per cent of Japan's total production of 7 million cases of sheet glass, uses the



The assembly line technique is used at the Amagasaki mill of the Asahi Glass Co. to grind and polish sheet glass. The industry's prospects are bright with production unable to keep pace with the fast growing demand at home and abroad. Canada bought 136 thousand cases of Japanese sheet glass in 1955.

Fourcault System developed originally by Belgium; Nippon, producing the remainder of the output, employs the United States' Colburn System. The latter company, in which American glass producers have an interest, has recently completed a new frosted glass plant.

The 1955 production of 6·7 million cases of sheet glass included 1·9 million cases of figured sheet glass. Polished plate glass production, largely for use in the automobile industry, totalled 70 thousand cases. The estimated production for 1956 is 7·3 million cases of ordinary, figured sheet, and polished plate glass.

Sheet Glass Exports

Last year domestic consumption of 5·7 million cases accounted for about 83 per cent of production, leaving about one million cases for export markets. The table below, left, shows Japan's sheet glass exports by country in 1955.

JAPAN'S SHEET GLASS EXPORTS

Country	*1955*	*1954*
	Cases	
United States	143,594	20,740
Canada	135,629	47,584
Formosa	105,088	162,797
Philippines	98,140	49,527
Indonesia	61,984	143,515
Thailand	40,683	49,057
Malaya	40,191	68,581
Hong Kong	37,855	46,080
India	36,778	25,462
Korea	12,661	63,855
Other countries	219,397	160,802
TOTAL	932,000	838,000

Shortages of supplies from normal sources and strong demand from the construction industry have caused both Canada and the United States to turn to Japan for greatly increased quantities of sheet glass. During the first four months of 1956 Canada and the United States imported 150 thousand cases, which represents about half of Japan's total sheet glass exports for the period. In contrast, sales of Japanese sheet glass in traditional South East Asian markets have decreased, under vigorous competition from Europe and the Republic of China. To assist continued sales in India, one Japanese firm has formed a partnership with an Indian firm to develop the sheet glass industry there.

Outlook Bright

The outlook for Japan's sheet glass industry is bright. In spite of a 10 per cent increase in output in the first six months of 1956 compared with the same period a year ago, stocks are low. Wholesalers estimate that stocks of sheet glass available on the market at present are sufficient to meet only two weeks' requirements.

In view of this situation, domestic wholesalers, competing for supplies to meet their needs, have advanced the average price level by 5 per cent from a year ago. Although suppliers give export markets preferred treatment, delivery periods are becoming longer. If demand continues at present levels, it is expected that supply will become difficult by the end of the year. ●

General notes

Chile

TRACTOR FACTORY—A local press report indicates that, under the Chilean Foreign Investment Scheme, the Italian firm, "Officine Meccanicce Giovanni Landini e Figlio", has been granted permission to export to Chile capital goods of a total value of US$1,046,700 for a factory to produce tractors of 23 to 30 and 45 to 50 h.p. Initial production is expected to reach 800 farm tractors a year. The agreement stipulates that the Italian firm will install service stations within the agricultural areas. Roughly 2,000 tractors are imported annually into Chile—Santiago, Aug. 15.

Denmark

FAROE ISLANDS EXPORTS—Export statistics for the first six months of 1956 show that exports from the Faroe Islands—consisting chiefly of fish and fish products—totalled about D.kr.30·8 million, an increase of more than D.kr.9 million over the corresponding period in 1955. The most important export was split cod for Spain and Brazil—Copenhagen, Sept. 5.

Federation of Rhodesia and Nyasaland

RAPID DEVELOPMENT—Nyasaland, the smallest of the three territories which form the Federation of Rhodesia and Nyasaland, is undergoing rapid economic expansion. Once a backwater of progress, it is fast becoming a paradise for contractors from other parts of Africa. It is building roads, airports, hospitals, schools and improved housing faster, in relation to the rate in recent years, than almost any country in Southern Africa. Government expenditure on public works in the territory, including maintenance, came to barely $540 thousand ten years ago but in the past year it reached $7·5 million and for the new financial year may reach $15 million, of which $8 million will be spent on contracts.

Because there are not enough contractors in Nyasaland itself, the Colonial Administration which governs the Protectorate is now taking special steps to interest contractors from the Rhodesias and from South and East Africa. The Government is also drawing up a long-term development program which assures tenderers who are awarded a contract and do it well that there will be enough work to keep them busy for years modernizing communications, erecting public buildings and new housing. Nyasaland, with 2½ million Africans and 6,000 Europeans, is the most densely populated part of the Federation and is noted for its tea—Salisbury, Sept. 5.

India

TO BUILD JETS—The Government of India plans to erect a new factory to manufacture jet engines, under the guidance of experts from the parent company in the United Kingdom. It has also arranged to build the Gnat, a light jet-propelled fighter. Vampire fighters are already being manufactured in India under licence—New Delhi, Sept. 11.

Jamaica

TAX INCENTIVES—To attract new industries the Jamaican Government has decided to offer three inducements to investors: (1) Industries considered to be of benefit to the island will be given a tax holiday of from four to seven years and will be allowed to import the capital equipment they need without paying customs duties; (2) should they lose money during the tax-holiday period, they may deduct their losses from their taxable income at its expiration; (3) overseas companies establishing offices on the island will not have to pay taxes if they do not trade within the British West Indies, British Guiana or British Honduras. It is hoped that these new concessions to investors will speed up industrialization of the island—Kingston, Aug. 27.

Madagascar

CONDITIONS IMPROVE—There has been a marked improvement in economic conditions in Madagascar during the last eighteen months, although the situation is still not satisfactory. During 1955 a total of 98 new companies were incorporated and recently published statistics show that exports rose during the first two months of 1956 to 44,000 metric tons valued at CFA Fr.2,655 million ($16 million Canadian) compared with 25,000 metric tons valued at CFA Fr.1,701 million ($10 million) in the first two months of the previous year. Imports declined to 64,000 tons, worth CFA Fr.2,842 million ($17 million), from 81,000 tons, at CFA Fr.3,513 million ($21 million).

Major contributions to the more favourable ratio between exports and imports were the large increases in overseas sales of coffee, rice, cloves, vanilla, pastoral products and graphite—Johannesburg, Aug. 27.

Malaya

INDUSTRIAL SURVEY—The Legislative Council of the Federation of Malaya has been asked by the Federal Ministry for Commerce and Industry to approve plans for a survey of the country's industrial possibilities. A working party will be set up and will study land tenure and availability, taxation, tariff protection, availability of labour, transport costs and the prospects of processing locally produced materials. After approval by the Legislature, a firm of specialists will be engaged to complete the project. It is hoped to have the survey done by the target date for independence—August 31, 1957. Copies will be available to prospective investors—Singapore, Aug. 23.

Norway

FISHERIES—This year's cod fishing season which ended a few weeks ago brought a catch of nearly 160 thousand tons, or approximately 36,000 tons more than last year. The British market for fresh cod has been good but stocks of frozen cod are increasing as this market has been less favourable. Exports of stockfish during the first half of the year totalled 11,609 tons compared with 7,298 tons last year, and exports of klipfish rose from 21,178 tons to 23,327 tons. The tunny fisheries this year are considered to be a complete failure; the catch by the end of July had only reached 900 tons compared with 6,000 tons last year. By August 1st, only 85 refrigerator carloads of tunny had been exported to Italy, as against 315 carloads in 1955. The brisling (sprats) fisheries are also reported to have failed, and the brisling canning factories have had to switch over to canning mackerel to avoid closing down entirely—Oslo, Sept. 7.

Peru

NEW INDUSTRIES—The secondary manufacturing and processing industries, by far the most important in Peru, continue to expand. Since 1952, value of goods produced has increased by 55 per cent; the 1955 total was 9,000 million soles (nearly $500 million).

The textile and footwear industries are particularly strong. Cotton and wool branches of the textile industry each have 18-19 factories, 7,000 employees, and capital of about 300 million soles. Forty shoe factories supply most of the country's requirements; the largest plant (of Canadian background) produces 50,000 pairs a week, about half of total production.

Many new plants are planned or under construction, including a tire factory and plant to produce cement, chemicals and pharmaceuticals, paint, fertilizers and explosives, oils and fats, silk stockings, simple electronic items, typewriters, matches, cigarettes and artificial fibres. Machinery and prime materials for practically all of these plants will have to be imported. Canadian manufacturers of findings for these industries who are interested in export should get in touch with the Commercial Secretary, Canadian Embassy, Casilla 1212, Lima, Peru—Lima, Aug. 24.

South Africa

NATIONAL INCOME—National income during the year ended June 30, 1955, again reached a record at £1,456·8 million, an increase of £66·2 million (4·7 per cent) over that for the previous fiscal year. In terms of an increase of 2·6 per cent in the retail price index during the year and an increase of 1·8 per cent in population, real national income per head of population has remained practically constant—Johannesburg, Aug. 24.

Sweden

EXPORT CREDIT—Det Finska Exportkredit AB, a newly formed company, will grant credit for export promotion, chiefly of capital goods such as ships, machines and industrial equipment. The share capital is 200 million Finnmarks (approximately Canadian $854 thousand). Three banks own 60 per cent of the shares and a number of industrial companies the rest. The Government and the Bank of Finland may be represented in the management if they so desire—Stockholm, Sept. 3.

United States

DETROIT INDUSTRIES GROW—The Detroit Board of Commerce recently made known the rapid industrial growth taking place in the city. In 1947, Detroit had 4,765 manufacturing plants; by 1951, the total was 5,530 and in 1953, 6,058 plants engaged in manufacturing were listed. Except for a few areas in the Southwest and Pacific Coast States, the Detroit area is moving ahead industrially at a faster rate than most other places in the country. Manufacturing is of greater importance to Detroit than to any other major city. In the last quarter of 1955, there were, on the average, about 69 factory workers for every 100 families in this area. Chicago, with 65 workers per 100 families, was second among large cities—Sept. 11.

Coming to Canada on Business

THE INFORMATION about foreign business visitors given here is, to the best of our knowledge, accurate at the time of going to press. We cannot, however, accept responsibility for any changes in itineraries nor for cancellation of plans. This information is published as a service and in no way represents sponsorship or selection by the Department of Trade and Commerce. We cannot undertake to enter into correspondence about these visitors.

▶ from the Belgian Congo

RENE DELVAUX, senior partner, Messrs. Redelco, general importers of Leopoldville, Belgian Congo, will visit Canada during the latter part of September. The main purpose of his visit is to keep in touch with present Canadian principals and friends but he would welcome leads which might increase his firm's representation. He is especially interested in consumer durable goods and foodstuffs, mainly canned, dried, and salted fish. While in Canada Mr. Delvaux will visit the Department of Trade and Commerce in Ottawa.

▶ from Czechoslovakia

K. BIMR, assistant general manager of Jablonex Company, dealers in jewellery figures and imitation stones, arrived in Canada on August 16 for a three-month stay. Mr. Bimr is visiting his company's customers in Montreal, Toronto and Quebec City. Anyone wishing to contact him may do so by getting in touch with the Commercial Section, Czechoslovak Consulate General, 1305 Pine Ave. W., Montreal 25, Que.

▶ from Japan

YOSHIO KOBAYASHI, chief of the Kanagawa Breeding Farm of 3910 Hongo Ebina Machi, Koza Gun, Kanagawa Prefecture, Japan, arrived in Toronto this month. Mr. Kobayashi is not purchasing cattle on this trip to Canada; his aim is to gain appreciation of Canadian Holstein herds with a view to future purchases. International Livestock Exporters Ltd. Box 125, Oakville, Ontario, has arranged his itinerary.

ISAO YAMADA, Managing Director, Kokoku Rayon and Pulp Co. Ltd. of 1, Shiba Tamuracho 1-Chome, Minatu-Ku, Tokyo, Japan, representing one of the leading producers of sulphite pulp in that country, will visit Montreal on October 10 as part of his world tour; he is particularly anxious to see through a typical Canadian sulphite pulp plant and to study our pulp industry. The Canadian Pulp and Paper Association, 2280 Sun Life Building, Montreal, Quebec, will make arrangements.

▶ from Norway

GUDLEIU HARG, chemical engineer with Messrs. Wilh. Willumsen A/S, Oslo, import agents specializing in industrial chemicals, will be in Montreal October 1, 2, and 3. The purpose of his visit is to get in touch with large chemical manufacturers with a view to representing them in Norway. He will stay at the Sheraton-Mount Royal in Montreal.

▶ from Portugal

DR. VASCO MARINHO DE ALMEIDA HOMEN DE MELLO, accompanied by JOSE ALVES, respectively the president and vice-president engineer of the National Cork Board (Junita Nacional da Cortica), expect to visit Canada sometime between October 10 and 25. The purpose of their visit is to investigate market opportunities for Portugal's cork products. Firms that wish to contact these officials should advise either the Embassy of Portugal in Ottawa or the Portuguese Consulate, 4393 Esplanade Ave., Montreal, Que.

Index to Foreign Trade

The index to Volume 105 (January-June 1956) of Foreign Trade *is now ready. If you would like a copy, write to the Editor,* Foreign Trade, *Department of Trade and Commerce, Ottawa.*

trade and tariff regulations

British Honduras and Antigua

OPEN GENERAL LICENCE—The following items have been placed under World Open General Licence in British Honduras and Antigua:

Leaf tobacco
Fresh apples
Chemical fertilizers
Calcium carbide

Products under World Open General Licence may be imported from all sources without restriction.

Denmark

DOLLAR PREMIUM SCHEME—During recent OEEC discussions, Denmark undertook to reduce its "dollar premium" from 8 to 6 per cent. On August 4, 1956, the Danish Directorate of Supplies announced that the reduction will take effect from January 1, 1957.

The dollar premium scheme was introduced in 1952 for the purpose of promoting Danish exports to dollar countries. Under this scheme Danish exporters are allotted 10 per cent of the value of their dollar exports in a currency of any country participating in the European Payments Union. This currency may be used to import European goods, and the import licences obtained in this manner are transferable, selling at the rate of 80 per cent of their face value. The premium thus amounts to 8 per cent of the exports.

As from January 1, 1957, the licences granted to exporters will represent 7½ per cent of the value of the exported goods instead of 10 per cent, the dollar premium thus amounting to 6 per cent instead of the present 8—Copenhagen, Aug. 20.

Federation of Rhodesia and Nyasaland

IMPORT RESTRICTIONS—The Ministry of Commerce and Industry announced August 31, 1956, that imports of motor tip trucks and self-propelled cranes have been removed from import currency control when coming from dollar countries.

The relaxation of restrictions apply to tip trucks of seven tons and over which will have the hydraulic or mechanical tipping device built into and be a part of the chassis and the tipping platform an integral part of the truck. The cab and engine shall not be detachable from the body of the truck. As regards the self-propelled mobile cranes, the crane shall be an integral part of the whole vehicle and the engine or motor power shall not be detachable from the crane platform.

United Kingdom

MARK OF ORIGIN REQUIRED ON OIL-BURNING APPLIANCES—An Order in Council recently issued in the United Kingdom under the Merchandise Marks Act 1926 requires that from November 3 next imported oil-burning appliances of specified types must be marked with an indication of the country of origin.

The list includes lamps, lanterns, stoves (domestic and industrial), space heaters, blow lamps, brazing lamps, and burner units.

The indication of origin, which must be conspicuous, is to be applied by stamping or embossing, or by means of a transfer, either on the article itself or on a metal label soldered or riveted to the article. If the appliance is packed ready for sale in a carton or other container, an indication of the origin of the appliance, shown in prescribed manner, must appear also on the container.

The requirements of the Order become effective at the time of sale (wholesale or retail) in the United Kingdom. They apply also to exposure for sale, except exposure for sale wholesale by a person being a wholesale dealer. While not compulsory at the time of importation, United Kingdom traders as a rule do not wish to be put to the trouble and expense of adding marks of origin, which usually can be done more conveniently at the time of manufacture. Since there may be circumstances, however, in which a trader may wish to import unmarked goods, it is recommended that, before shipping, exporters reach an understanding with their customers on how the marking requirements are to be observed.

More detailed information, including a list of the particular types of oil-burning appliances covered by the Order, is available on request from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

West Germany

DOLLAR IMPORT LIBERALIZATION EXTENDED—Effective September 5, the list of dollar products which may be imported into West Germany free from quantitative restrictions and without import licences was enlarged by the addition of frozen fruit

pulps for industrial processing; fruits and fruit pulps temporarily preserved in brine or by other means; dried plums, apricots, peaches and nectarines; and hazelnuts, walnuts and other nuts. Although these goods are of minor importance among Canadian exports to West Germany, their liberalization constitutes a welcome step in freeing from restrictions imports of additional dollar food products into that country—Bonn, Sept. 7.

The latest major West German dollar liberalization measure was reported in FOREIGN TRADE of July 21, 1956.

Trade Commissioners on Tour

G. A. BROWNE, Commercial Secretary in Havana, Cuba, begins the second part of his Canadian tour in Winnipeg, October 3-4. His itinerary is:

Saskatoon—Oct. 5	Halifax—Oct. 25-26
Vancouver—Oct. 8-12	Ottawa—Oct. 29
Saint John—Oct. 22	

F. B. CLARK, former Commercial Secretary in Caracas, Venezuela, began a tour of Canada in Victoria, August 30-31. His itinerary is:

Hamilton—Oct. 1-2	Granby—Oct. 24
St. Catharines: Niagara area—Oct. 3-4	St. John's—Oct. 25
	Quebec—Oct. 26
Brantford—Oct. 5	Halifax—Oct. 29-30
Kitchener—Oct. 8	Kentville—Oct. 31-Nov. 1
Welland—Oct. 9	Saint John—Nov. 2-3
Windsor: Sarnia area—Oct. 10-11	Ottawa—Nov. 5
Montreal—Oct. 15-23	

D. S. ARMSTRONG, Canadian Trade Commissioner in Singapore, began a tour of Canada in Vancouver and Victoria, September 4-14. His itinerary is:

Toronto—Sept. 24-Oct. 2	Brockville—Oct. 12
Hamilton: St. Catharines: Welland—Oct. 3-4	Montreal—Oct. 15-24
	Halifax—Oct. 26
Brantford—Oct. 5	Saint John—Oct. 29
Sarnia—Oct. 9	Ottawa—Oct. 31-Nov. 7
Windsor—Oct. 10	

C. S. BISSETT, Commercial Counsellor for Canada in Buenos Aires, Argentina, began his Canadian tour in Montreal, July 30-August 10, and completes it in Ottawa, October 24.

L. S. GLASS, Commercial Counsellor for Canada in Wellington, New Zealand, began his Canadian tour in Montreal, August 6, and completes it in Vancouver, October 1-12, and Victoria, October 15-16.

Businessmen in the various centres may get in touch with these officers through the Board of Trade in Brantford, Granby, Halifax, Kentville, Montreal, Saint John and Saskatoon; Chambers of Commerce in Brockville, Calgary, Hamilton, Kitchener, Niagara Falls, Regina, Quebec, St. Catharines, Sarnia, St. John's, Waterloo, Welland and Windsor; the Canadian Manufacturers Association in Toronto; the Department of Trade and Commerce in Vancouver and Ottawa, and the Department of Trade and Industry in Victoria.

Tours of Territory

J. R. MIDWINTER, Assistant Trade Commissioner in Guatemala City, expects to visit Costa Rica from October 3-9 inclusive, and Nicaragua from October 9-13, inclusive.

H. W. RICHARDSON, Trade Commissioner in Guatemala City, will visit El Salvador from October 22-27, inclusive.

JOHN MacNAUGHT, Assistant Commercial Secretary, Wellington, New Zealand, plans to visit Auckland from October 8-12.

K. F. NOBLE, Canadian Trade Commissioner in Johannesburg, South Africa, intends to visit Durban from October 8-13, and the Orange Free State (with calls at Bloemfontein, Welkom, Harmony Virgina, and Odenaalsrust), in mid-November.

R. W. BLAKE, Commercial Secretary in Melbourne, Australia, is planning to visit Tasmania from December 10-19.

Businessmen who would like these officers to undertake assignments for them in these areas should get in touch with them at their posts as soon as possible. Mr. Richardson and Mr. Midwinter can be reached at their office in Guatemala City, Mr. MacNaught at Wellington, Mr. Noble at Johannesburg, and Mr. Blake at Melbourne.

foreign trade service abroad

*** No Foreign Trade Officer at this post.**
Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Territory	Officer	City Address	Mail and Cables, Office Telephone
Argentina	C. S. Bissett, Commercial Counsellor	Canadian Embassy, Bartolome Mitre 478, BUENOS AIRES	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 33-8237
Argentina Paraguay, Uruguay	W. F. Hillhouse, Agricultural Secretary		
Australia (Capital Territory, New South Wales, Queensland, Northern Territory) Dependencies	J. C. Britton, Commercial Counsellor for Canada	7th Floor, Berger House, 82 Elizabeth Street, SYDNEY	*Mail:* P.O. Box 3952 G.P.O *Cable:* CANADIAN *Tel.:* BW 5696
	Commercial Secretary		
Australia (Victoria, South Australia, Western Australia, Tasmania)	R. W. Blake, Commercial Secretary for Canada	83 William Street MELBOURNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* MU 4716
Belgian Congo Angola, French Equatorial Africa	K. Nyenhuis, Canadian Government Trade Commissioner	Forescom Building, LEOPOLDVILLE 1.	*Mail:* Bôite Postale 373 *Cable:* CANADIAN *Tel.:* 2706
Belgium Luxembourg	T. J. Monty, Commercial Counsellor	Canadian Embassy, 35 rue de la Science, BRUSSELS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 11-33-88
	K. G. Ramsay, Assistant Commercial Secretary		
	J. R. Roy, Assistant Commercial Secretary		
Brazil	Commercial Secretary	Canadian Embassy, Edificio Metropole, Av. Presidente Wilson 165 RIO DE JANEIRO	*Mail:* Caixa Postal 2164 *Cable:* CANADIAN *Tel.:* 42-4140
	H. M. Maddick, Commercial Secretary		
Brazil	C. E. Butterworth, Consul and Trade Commissioner	Canadian Consulate, Edificio Alois, Rua 7 de Abril 252, SAO PAULO	*Mail:* Caixa Postal 6034 *Cable:* CANADIAN *Tel.:* 36-6301
	G. F. Osbaldeston, Vice Consul and Assistant Trade Commissioner		
***Ceylon**	Office of the High Commissioner for Canada	6 Gregory's Road Cinnamon Gardens, COLOMBO	*Mail:* P.O. Box 1006 *Cable:* DOMCANADA *Tel.:* 91341
Chile	L. D. Burke, Acting Commercial Secretary	Canadian Embassy, 6th Floor, Av. General Bulnes, 129, SANTIAGO	*Mail:* Casilla 771 *Cable:* CANADIAN *Tel.:* 64189
Colombia Ecuador	W. B. McCullough, Commercial Counsellor	Canadian Embassy, Avenida Jimenez No. 7-25 Office 613, BOGOTA	*Mail:* Apartado 1618 *Airmail:* Apartado Aereo 3562 *Cable:* CANADIAN *Tel.:* 30-065
	A. P. Savard, Commercial Secretary		
Cuba	G. A. Browne, Commercial Secretary	Canadian Embassy, Edificio Ambar Motors, Avenida Menocal 16, HAVANA	*Mail:* Apartado 1945 *Cable:* CANADIAN *Tel.:* UO-9457
Denmark Greenland	C. F. Wilson, Commercial Counsellor	Canadian Embassy, 4 Trondhjems Plads, COPENHAGEN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Tria 1602

Territory	Officer	City Address	Mail and Cables, Office Telephone
Dominican Republic Puerto Rico	M. B. Bursey, Commercial Counsellor	Canadian Embassy, Edificio Copello 408, Calle El Conde, CIUDAD TRUJILLO	*Mail:* Apartado 451 *Cable:* CANADIAN *Tel.:* 5318
Egypt Aden, Sudan, Cyprus, Ethiopia, Saudi Arabia, Yemen	M. R. M. Dale, Commercial Secretary	Canadian Embassy, 6 Sharia Rouston Pasha, Garden City, CAIRO	*Mail:* Kasr el Doubara Post Office *Cable:* CANADIAN *Tel.:* 23110
France Algeria, French West Africa, Tunisia	R. Campbell Smith, Commercial Secretary A. L. Neal, Attaché J. H. Bailey, Assistant Commercial Secretary	3 rue Scribe, PARIS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* OPEra 42-30
Germany Federal Republic	B. A. Macdonald, Commercial Counsellor S. G. Barkley Commercial Secretary M. B. Blackwood, Assistant Commercial Secretary	Canadian Embassy, 22 Zitelmannstrasse, BONN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Bonn 21971
Germany	E. H. Maguire, Consul and Trade Commissioner	75 Ferdinandstrasse, HAMBURG	*Cable:* CANTRACOM
Greece Israel, Turkey	A. B. Brodie, Commercial Secretary	Canadian Embassy, 31 Vassilissis Sophias Ave., ATHENS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 74044
Guatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	H. W. Richardson, Canadian Government Trade Commissioner J. R. Midwinter Assistant Trade Commissioner	5a Avenida Sud, 10-68 GUATEMALA CITY	*Mail:* P.O. Box 444 *Airmail:* P.O. Box 400 *Cable:* CANADIAN *Tel.:* 5590
***Haiti**	Chargé d'Affaires, a.i. and Consul	Route du Canape Vert, St. Louis de Turgeau, PORT AU PRINCE	*Mail:* P.O. Box 826
Hong Kong Formosa, Cambodia Laos, Viet Nam, Macao	C. M. Forsyth-Smith Canadian Government Trade Commissioner Assistant Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg., HONG KONG	*Mail:* P.O. Box 126 *Cable:* CANADIAN *Tel.:* 28336
India	Wm. Jones, Commercial Secretary	Office of the High Commissioner for Canada, 4 Aurangzeb Road, NEW DELHI	*Mail:* P.O. Box 11 *Cable:* CANADIAN *Tel.:* 40191
India	T. F. Harris, Canadian Government Trade Commissioner G. F. Mintenko, Assistant Trade Commissioner	Gresham Assurance House, Mint Road, BOMBAY	*Mail:* P.O. Box 886 *Cable:* CANADIAN *Tel.:* 32968
Indonesia	W. D. Wallace, Commercial Secretary	Canadian Embassy, Budi Kemulian No. 6, DJAKARTA	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Gambir 499
Ireland	T. G. Major, Commercial Counsellor for Canada	66 Upper O'Connell St., DUBLIN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 44251
Italy Libya, Malta, Yugoslavia	S. G. MacDonald, Commercial Counsellor W. R. Van, Commercial Secretary K. F. Osmond, Commercial Secretary (Fisheries)	Canadian Embassy, Via G. B. De Rossi 27 ROME	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 846-824

Territory	Officer	City Address	Mail and Cables, Office Telephone
Jamaica Bahamas, British Honduras	H. E. Campbell, Canadian Government Trade Commissioner	Canadian Bank of Commerce Chambers, KINGSTON	*Mail:* P.O. Box 225 *Cable:* CANADIAN *Tel.:* 2858
Japan Korea	J. L. Mutter, Commercial Counsellor W. G. Pybus, Commercial Secretary	Canadian Embassy, TOKYO	*Mail:* Canadian Embassy *Cable:* CANADIAN *Tel.:* 48-4116
Japan	J. E. Lancaster, Canadian Government Trade Commissioner	7th Floor, Crescent Bldg., 72 Kyomachi, Ikutaku, KOBE	*Mail:* P.O. Box 513 *Cable:* CANADIAN *Tel.:* 3-4617
Lebanon Iraq, Jordan, Persian Gulf Area, Syria	G. F. G. Hughes, Commercial Secretary	Canadian Legation, Alpha Building, Rue Clemenceau, BEIRUT	*Mail:* Bôite Postale 2300 *Cable:* CANADIAN *Tel.:* 30794
Mexico	Commercial Counsellor C. O. R. Rousseau, Assistant Commercial Secretary	Canadian Embassy, Edificio Internacional, Paseo de la Reforma, MEXICO, D. F.	*Mail:* Apartado 126-Bis *Cable:* CANADIAN *Tel.:* 36-27-90
Netherlands	B. C. Butler, Commercial Counsellor W. R. Hickman, Assistant Commercial Secretary	Canadian Embassy, Sophialaan 1-A, THE HAGUE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 18-51-06
New Zealand Fiji, Western Samoa	L. S. Glass, Commercial Counsellor J. MacNaught, Assistant Commercial Secretary	Office of the High Commissioner for Canada, Government Life Insurance Bldg., WELLINGTON	*Mail:* P.O. Box 1660 *Cable:* CANADIAN *Tel.:* 70-644
Norway Iceland	J. C. Depocas, Commercial Counsellor	Canadian Embassy, Fridtjof Nansens Plass 5, OSLO	*Mail:* P. O. Box 1379—Vika *Cable:* CANADIAN *Tel.:* 33-30-80
Pakistan Afghanistan, Iran	R. K. Thomson, Commercial Secretary	Office of the High Commissioner for Canada, Hotel Metropole, Victoria Rd., KARACHI	*Mail:* P.O. Box 3703 *Cable:* CANADIAN *Tel.:* 5826
Peru Bolivia	H. J. Horne, Commercial Secretary	Canadian Embassy, Edificio Boza, Carabaya 831, Plaza San Martin, LIMA	*Mail:* Casilla 1212 *Cable:* CANADIAN *Tel.:* 72760
Philippines	H. L. E. Priestman, Consul General and Trade Commissioner W. J. Jenkins, Vice Consul and Assistant Trade Commissioner	Canadian Consulate General, Ayala Building Juan Luna Street MANILA	*Mail:* P.O. Box 1825 *Cable:* CANADIAN *Tel.:* 3-33-35
Portugal Azores, Madeira	Richard Grew, Commercial Counsellor	Canadian Embassy, Rua Marques de Fronteira No. 8—4° D° LISBON	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 53117
Rhodesia and Nyasaland Kenya, Seychelles Is., Tanganyika, Uganda, Zanzibar	W. J. Millyard, Canadian Government Trade Commissioner	Dolphin House, Union and Moffat Sts. SALISBURY	*Mail:* P.O. Box 2133 *Cable:* CANTRACOM *Tel.:* 26571
Singapore Brunei, Burma, Federation of Malaya, North Borneo, Sarawak, Thailand	M. P. Carson, Canadian Government Trade Commissioner W. G. Huxtable, Assistant Trade Commissioner	Room E-3, Union Building, SINGAPORE	*Mail:* P.O. Box 845 *Cable:* CANADIAN *Tel.:* 30631-2

Territory	Officer	City Address	Mail and Cables, Office Telephone
South Africa (Natal, Transvaal, Orange Free State), Madagascar, Mauritius, Mozambique, Reunion	K. F. Noble, Canadian Government Trade Commissioner	Mutual Building, Harrison Street, JOHANNESBURG	*Mail:* P.O. Box 715 *Cable:* CANTRACOM *Tel.:* 33-2628
South Africa (Cape Province) Southwest Africa	A. W. Evans, Canadian Government Trade Commissioner	Grand Parade Centre Bldg., Adderley Street, CAPE TOWN	*Mail:* P.O. Box 683 *Cable:* CANTRACOM *Tel.:* 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio de Oro, Tangier	M. T. Stewart, Commercial Counsellor	Canadian Embassy, Edifico España, Avenida de Jose Antonio 88, MADRID	*Mail:* Apartado 117 *Cable:* CANADIAN *Tel.:* 47-54-00
Sweden Finland	A. P. Bissonnet, Commercial Secretary	Canadian Embassy, Strandvagen, 7-C, STOCKHOLM	*Mail:* P.O. Box 14042 *Cable:* CANADIAN *Tel.:* 67-92-15
Switzerland Austria, Czechoslovakia, Hungary	B. I. Rankin, Commercial Secretary N. W. Boyd, Assistant Commercial Secretary	Canadian Embassy, Kirchenfeldstrasse 88, BERNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 4-63-81
Trinidad Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, French West Indies	D. B. Laughton, Canadian Government Trade Commissioner	Colonial Building, 72 South Quay, PORT-OF-SPAIN	*Mail:* P.O. Box 125 *Cable:* CANADIAN *Tel.:* 34787
United Kingdom (South of England, East Anglia, Scotland), British West Africa (Gambia, Gold Coast, Nigeria, Sierra Leone)	H. L Brown, Commercial Counsellor G. H. Rochester, Commercial Counsellor (Timber) D. A. B. Marshall, Commercial Counsellor (Agricultural) T. M. Burns, Commercial Secretary	Office of the High Commissioner for Canada, Canada House, Trafalgar Square, LONDON, S.W.1	*Mail:* (City Address) *Cable:* SLEIGHING *Tel.:* Whitehall 8701 *Cable:* TIMCOM
United Kingdom (Midlands, North England, Wales)	Canadian Government Trade Commissioner	Martins Bank Building, Water Street, LIVERPOOL	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Central 0625
United Kingdom (Northern Ireland)	T. G. Major, Canadian Government Trade Commissioner	36 Victoria Square, BELFAST	*Mail:* (City Address) *Tel.:* 21867
United States Delaware, Maryland, Virginia, West Virginia	R. G. C. Smith, Commercial Counsellor Dr. W. C. Hopper, Agricultural Counsellor	Canadian Embassy, 1746 Massachusetts Ave. N.W. WASHINGTON 6, D.C.	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* DEcatur 2-1011

Territory	Officer	City Address	Mail and Cables, Office Telephone
Washington	H. A. Gilbert, Commercial Secretary D. H. Burns, Assistant Agricultural Secretary		
United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda, Liberia	S. V. Allen. Deputy Consul General (Commercial) C. R. Gallow, Consul and Trade Commissioner H. E. Lemieux, Consul and Trade Commissioner	Canadian Consulate General, 620 Fifth Ave., NEW YORK CITY 20	*Mail:* (City Address) *Cable:* CANTRACOM *Tel.:* JUdson 6-2400
United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire)	D. H. Cheney, Consul and Trade Commissioner	Canadian Consulate General, 532 Little Building, 80 Boylston Street, BOSTON 16	*Mail:* (City Address) *Tel.:* HAncock 6-4320
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	G. A. Newman, Deputy Consul General (Commercial) R. F. Renwick, Consul and Trade Commissioner W. G. D'Arcy, Vice Consul and Assistant Trade Commissioner	Canadian Consulate General, 1412 Gailand Building, 111 North Wabash Street, CHICAGO	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* RAndolph 6-6033
United States (Michigan, Ohio)	M. J. Vechsler, Consul and Trade Commissioner A. A. Lomas, Vice Consul and Assistant Trade Commissioner	Canadian Consulate, 1139 Penobscot Building, DETROIT 26	*Mail:* (City Address) *Tel.:* WOodward 5-2811
*United States California (the ten southern counties), Clark County in Nevada, Arizona, New Mexico.	Consul General	Canadian Consulate General, 510 West Sixth Street, LOS ANGELES 14	*Mail:* (City Address) *Tel.:* VAndike 2233
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	A. A. Caron, Consul and Trade Commissioner	Canadian Consulate General, 215-217 International Trade Mart NEW ORLEANS 12	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* RAymond 2136
*United States California, (except the ten southern counties), Wyoming, Nevada (except Clark County), Utah, Colorado, Hawaii	Consul General	Canadian Consulate General, 3rd Floor, Kohl Building, 400 Montgomery Street, SAN FRANCISCO 4	*Mail:* (City Address) *Tel.:* SUtter 1-3039
*United States (Oregon, Idaho, Washington, Montana), Alaska	Consul General	Canadian Consulate General, The Tower Building, Seventh Avenue at Olive Way SEATTLE 1, Washington	*Mail:* (City Address) *Tel.:* MUtual 3515
Uruguay Paraguay Falkland Islands	C. B. Birkett, Commercial Counsellor	Canadian Embassy No. 1409 Avenida Agraciada, Piso 7° MONTEVIDEO	*Mail:* Casilla Postal 852 *Cable:* CANADIAN *Tel.:* 96096
Venezuela Netherlands Antilles	R. E. Gravel, Commercial Secretary A. G. Kniewasser, Assistant Commercial Secretary W. G. Brett, Assistant Commercial Secretary	Canadian Embassy, Edificio Pan American, Puente Urapal, CARACAS	*Mail:* Apartado 3306 *Cable:* CANADIAN *Tel.:* 54-3431

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1·024.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent Sept. 13	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Official	·05425	1·843	(1)
		Free	·03101	32·25	
Austria	Schilling		·03756	26·62	
Australia	Pound		2·1740	·4600	
Belgium, Belgian Empire and Luxembourg	Franc		·01961	50·99	
Bolivia	Boliviano	Official	005140	194·55	
British West Indies	Dollar		·5661	1·77	(2)
	Pound		2·7175	·368	(3)
	Dollar	British Honduras	·6789	1·470	
Brazil	Cruzeiro	Effective selling* *Category I	·012077	82·80	*Aug. 31
		Category II	·008926	112·03	(4)
		Category III	·005712	175·07	
		Official buying	·53191	18·80	(5)
Burma	Kyat		·2051	4·88	
Ceylon	Rupee		·2038	4·91	
Chile	Peso	Free	·001973	506·84	(15)
Colombia	Peso	Basic	·3906	5·75	(7)
		Free*	·2200	4·54	*Sept. 12
Costa Rica	Colon	Official	·1739	5·75	
		Controlled free	·1470	6·80	
Cuba	Peso		·9766	1·024	tax 2% (4)
Czechoslovakia	Koruna		·1356	7·374	
Denmark	Krone		·1414	7·072	
Dominican Republic	Peso		·9766	1·024	
Ecuador	Sucre	Official	·06511	15·359	
		Free	·05186	19·283	
Egypt	Pound	Official	2·8043	·3566	(6)
El Salvador	Colon		·3906	2·560	
Fiji	Pound		2·4482	·4085	
Finland	Markka		·004246	235·51	
France, Monaco and North Africa	Franc		·002791	358·29	(8)
French Colonies in Africa	Franc		·005582	179·14	(9)
French Pacific	Franc		·01535	65·15	(10)
Germany	D Mark		·2330	4·292	
Greece	Drachma		·03255	30·72	
Guatemala	Quetzal		·9766	1·024	
Haiti	Gourde		·1953	5·12	
Honduras	Lempira		·4883	2·048	*Aug. 31
Hong Kong	Dollar	Free*	·1597	6·26	
		Official	·1698	5·889	
Iceland	Krona	Official	·05996	16·68	(6)
		Special selling	·3503	28·55	(11)
India	Rupee		·2038	4·91	
Indonesia	Rupiah	Basic	·08600	11·627	(12)
Iran	Rial	Certificate	·01289	77·57	
Iraq	Dinar		2·7344	·3657	
Ireland	Pound		2·7175	·368	
Israel	Pound		·5425	1·843	
Italy	Lira		·001568	637·8	
Japan	Yen		·002713	366·1	

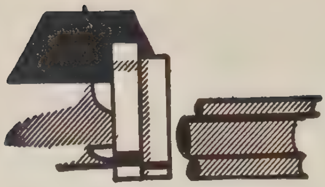
* Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent Sept. 13	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	·3033	3·297	
Mexico	Peso		·07813	12·80	
Netherlands	Florin		·2550	3·922	
Netherlands Antilles	Florin		·5138	1·946	
New Zealand	Pound		2·7175	·368	
Nicaragua	Cordoba	Effective buying	·1479	6·761	
		Official selling	·1385	7·22	
Norway	Krone		·1367	7·315	
Pakistan	Rupee		·2038	4·91	
Panama	Balboa		·9766	1·024	
Paraguay	Guarani	Official	·01628	61·43	(6) (13)
Peru	Sol	Certificate	·05140	19·38	
Philippines	Peso		·4883	2·047	
Portugal & Colonies	Escudo		·03408	29·34	(14)
Singapore & Malaya	Straits dollar		·3171	3·154	
Spain & Dependencies	Peseta	Basic buying	·04459	22·43	(6)
		Basic commercial selling	·5949	16·81	
		Free	·02507	39·89	
Sweden	Krona		·1888	5·30	
Switzerland	Franc		·2279	4·389	
Syria	Pound	Free*	·2762	3·62	*Aug. 15
Thailand	Baht	Free	·04736	21·11	(6)
Turkey	Lira		·3488	2·762	
Union of South Africa	Pound		2·7175	·368	
United Kingdom	Pound		2·7175	·368	
United States	Dollar		·976563	1·024	
Uruguay	Peso	Free*	·2405	4·158	
		Basic buying	·6430	1·555	(6)
		Principal selling	·4651	2·15	(16)
Venezuela	Bolivar		·2915	3·43	
Yugoslavia	Dinar		·003255	307·2	(6)

* Latest available quotation date.

notes

1. Argentina: additional rates result from exchange retentions on export proceeds and surcharges on imports.
2. Barbados, Trinidad, Tobago, Leeward and Windward Islands, British Guiana.
3. Bahamas, Bermuda, Jamaica.
4. Tax of 10 per cent affects selling (import) rates only. Tax is based on official rate, and is therefore 1.88 cruzeiros per U.S. dollar.
5. Brazil: currency certificates auctioned for five import categories. Effective selling rate is official rate of 18.82 to U.S. dollar plus price of certificate. Exporters receive cruzeiros at official rate plus exchange premiums ranging from 18.70 to 48.64 cruzeiros per U.S. dollar, depending on product. Three rates shown cover bulk of transactions for auction.
6. Additional rates are in effect.
7. Colombia: stamp taxes of 3, 10, 30, 80 and 100 per cent on imports depending on essentiality. The free rate applies to minor exports and less essential imports.
8. Includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
9. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
10. New Caledonia, New Hebrides, Oceania.
11. Iceland: special selling rate applies to certain designated commodities.
12. Indonesia: basic rate applies to most exports and a few essential imports. Purchase of exchange for other imports is subject to surcharges of 50, 100, 200 or 400 per cent depending on products.
13. Official rate applies to exports and essential imports. For non-essential imports there is a surcharge of 25 Guaranis per U.S. dollar.
14. Portugal: approximately same rate for Portuguese Territories in Africa.
15. Chile: free rate applies to exports and to imports, except prohibited imports. Chilean importers must deposit local currency in amounts ranging from 5 to 200 per cent, depending on product, prior to shipment of goods.
16. Certain essential imports are subject to a fixed rate of 2.10 pesos per U.S. dollar, and no longer require import permits. Other imports are subject to the free rate, and are under quota. Exports are subject to a variety of rates according to the product. Exports will be divided into eleven categories for exchange rate purposes. Depending on the product, the export rates which will apply range from 100 per cent of the free rate to 100 per cent of the basic export rate of 1.519 pesos per U.S. dollar.



businessman's bookshelf

What Every Engineer Should Know about Rubber

Natural Rubber Development Board. 128 pages. 3s. 6d. (sent with order).

THIS BOOK is designed to provide the engineer with a knowledge of the characteristics and applications of rubber. The sources, properties, manufacture and testing of rubber are discussed in the first half and the remainder is devoted to specific engineering uses of rubber.

Engineers who must design long-lasting rubber parts will find this a valuable guide. It is illustrated with 145 photographs, drawings and graphs.

Order from: Natural Rubber Development Board, Market Buildings, Mark Lane, London, E.C.3, England.

International Trade 1955

Secretariat, General Agreement on Tariffs and Trade. 229 pages. $1.50 (U.S.)

WORLD TRADE reached new proportions in both value and volume during 1955. As pointed out in this, the fourth annual report prepared by the GATT secretariat, three major developments took place. First, the rise in value of world exports in 1955 was again mainly accounted for by trade among industrial countries, while the relative importance of the non-industrial countries continued to decline. Second, the increase in export trade of the industrial countries was shared by North America. Third, many industrial countries—in order to meet more severe competition on world markets by lowering their costs of production—relied more heavily on imports from the most economic sources of supply, and to that end, adopted more liberal import policies.

In view of this country's dependence on and concern about international trade and because Canada is a contracting party to GATT, Canadian businessmen will find virtually every part of this report of interest to them. Part one—which deals with recent developments in the structure and pattern of international trade—covers production, consumption and supplies. It reports on who did the trading, with whom, in what, and why.

Section two covers, in less detail than section one, developments in commercial policy. It considers customs tariffs, quantitative restrictions, bilateral trade agreements and export promotion.

The final section reviews the work of the contracting parties in 1955 and in particular the business completed at their tenth session from October 27 to December 3, 1955.

Order from: Ryerson Press, 299 Queen Street West, Toronto, Ontario.

Dining Out in Any Language

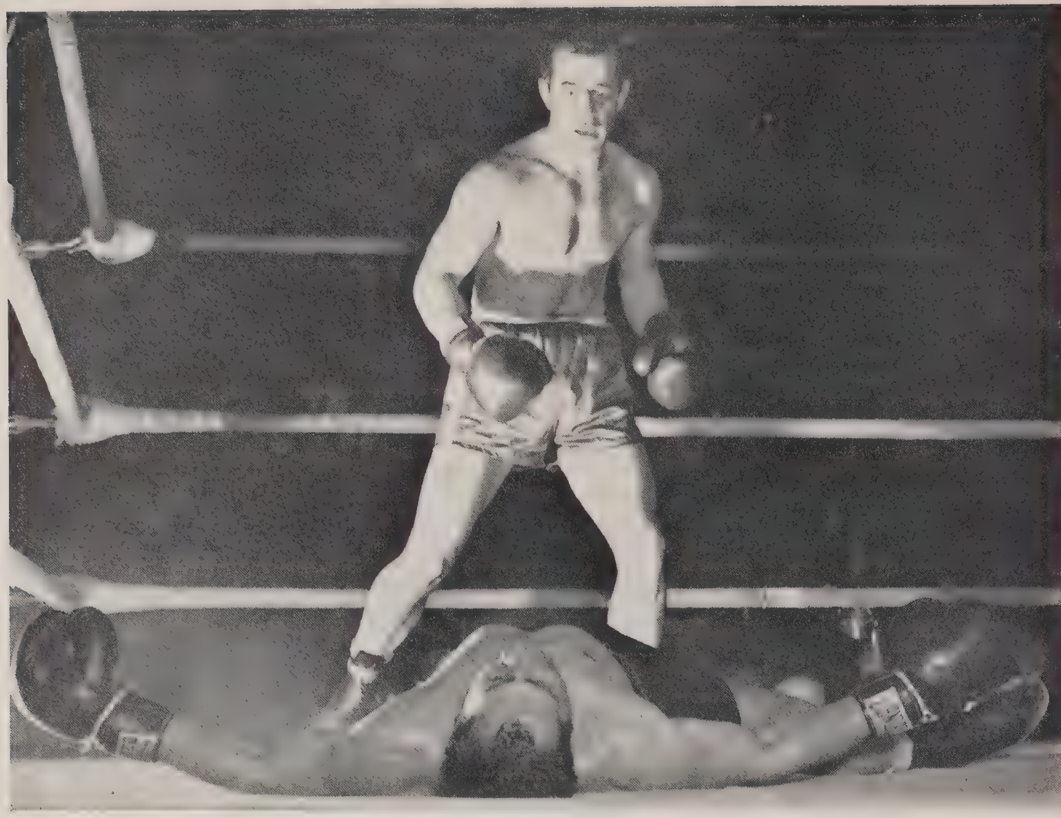
By Myra Waldo. 152 pages. 35 cents.

JUNGES HUHN on a German menu refers to spring chicken and not, as the phonetics might imply, to a young puppy. A Canadian traveller might well lose confidence in his ability to order a good meal if he moves quickly through several European countries. He learns that in Italy, *torta* means cake but *tortina* is not a small cake but rather an artichoke omelette. In Spain and Italy *salsa* refers to sauce, but the same word on a Portuguese menu means parsley.

The Canadian businessman will find this small booklet a useful pocket companion on his trip to Europe or to Latin America. Air travel has not only brought famous foreign restaurants within reach of everyone, but it has, in many cases, made it possible—indeed essential—to move quickly from one language area to another. All but the most fluent linguist must find it difficult to cope with menus in many countries and may be forced to rely on the recommendations of the waiter or a shot in the dark.

In addition to a series of appropriate word lists in French, German, Italian, Spanish, Portuguese, Dutch, Danish, Norwegian and Swedish, the reader is given a brief account of food specialties, dining habits and tipping practices in Western Europe. A few notes on the native wines and beers, plus lists of some of the better known restaurants in the main cities of the countries mentioned, complete this handy guide for the busy and hungry traveller.

Order from: Pan American Airways, 25 Adelaide Street West, Toronto, Ontario.



Knockdown or Knockout?

Sure looks like a K.O., doesn't it. Well, as every fight fan knows, more than one boxer has got up off the floor and gone on to win. Indeed, the difference between a knockdown and a knockout punch can be the difference between a win and a loss—and that's where sound coaching comes in.

The same is true in exporting and, like boxers, Canadian exporters have experienced men in their corner. The Department of Trade and Commerce through its trained consultants can advise on what, where, when and how to sell abroad; its Trade Commissioners around the world keep in touch with local conditions and promote the sale of Canadian products; its fortnightly magazine *Foreign Trade* publishes up-to-the-minute reports on foreign markets and helpful "how-to" articles such as the current series on the techniques of exporting.

Montreal photographer David Bier took this award-winning photo in the Montreal Forum in 1951, seconds after Rocky Graziano put Johnny Greco on the canvas for the ten-count with a hard right to the chin.

If you're scoring knockdowns but not knockouts in foreign trading, perhaps you need to consult the men in your corner—the trade specialists of the Department of Trade and Commerce. They're there to help you win.

In exporting, as in boxing, it's the technique that counts

OCTOBER 13, 1956

foreign trade

CANADA

NEW YORK BUYERS FOR EXPORT (page nine)

CANADA

foreign trade

Established in 1904

Published fortnightly by the Department of Trade and Commerce.
The Right Honourable C. D. HOWE, Minister,
WM. FREDERICK BULL, Deputy Minister.

OTTAWA, OCTOBER 13, 1956, Vol. 106, No. 8

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Single copies: 20 cents each.
Authorized as second class mail by the Post Office Department, Ottawa.

cover This aerial view of New York City shows the piers along the Hudson River, where ships from every country dock. In this great trading centre are concentrated hundreds of firms and organizations which purchase goods for export to foreign countries. The Commercial Division of the Canadian Consulate General in New York has been studying this method of reaching foreign markets: for the results of their research, turn to the article on page nine.

—Photo courtesy Port of New York Authority

Several Canadian and U.S. firms, unable to sell finished goods in France and her territories, have solved the problem by setting up branch plants there or by licensing French firms to make their products. Here is a discussion of regulations and conditions affecting manufacturing in France by foreign companies.

The Foreig

J. H. BAILEY, *Assistant Commercial Secretary, Paris.*

FRANCE AND HER TERRITORIES in the French franc zone form a market with a population of 92 million, 43 million of whom live in metropolitan France. Under the present exchange regulations it is difficult, and in many cases impossible, for Canadian manufacturers to sell finished goods in this area. If the Canadian manufacturer feels, however, that the demand for his product is strong enough to justify the establishment of manufacturing facilities in France, he can consider two programs that have proved successful for other Canadian and American companies. The first is the licensing of a French firm to manufacture his goods; the second, the establishment of a branch plant in France.

Licensing and Distribution

If a mutually profitable arrangement can be worked out with a French manufacturer, there are several advantages in a licensing arrangement. A minimum of capital investment is required and the delays and difficulties in starting operations are minimized. If the Canadian article has components that can only be produced competitively in the Canadian plant, prior authority for dollar import licences will be required from the French Exchange Office. The exchange control office will be more apt to consider such a plan favourably where it can be shown that there will probably be exports from France of the finished products which will earn foreign exchange to cover these imports.

Three main methods of handling the distribution of the finished article in France are used by foreign principals. One is to license a French manufacturer who can use the Canadian article to complement his own range of products and market it through his existing sales organization. The second is to have established distributors, other than the French licensee, handle the sales in France and her overseas territories. This is particularly appropriate where the Canadian firm already has distributors in the major markets who, although unable to do much business in imports during recent years, are nevertheless familiar with the product and with the Canadian principals. The third method is for the Canadian firm to establish a limited company in France (as described in the next section) which can look after the distribution of the products manufactured by the French licensee. The advantage of this is that the Canadian parent organization can have a company executive on the spot to supervise its sales policies and, if necessary, advise the licensee on any unusual production problems. In addition, this method provides the Canadian firm with a basic corporate body in France that could, if the demand or a changing international economic situation warranted, establish its own manufacturing facilities.

Establishing a New Plant

In principle the French authorities welcome industrial development in France by foreign capital. Nevertheless it takes considerable time for a foreign company to obtain the necessary authorization to engage in certain types of business in France. In no case is it possible to open a new business without extensive formalities, the submission of many documents, and the approval of various government agencies. Some of these formalities take considerable time and the foreign investor is well advised to appoint a French legal firm to handle them.

To incorporate a company and construct a plant, approval must be obtained from several ministries: the Ministry of Finance, and especially its exchange control office (Office des Changes); the Ministry of Industry and Commerce; and, working in conjunction with both, the Ministry of Economic Affairs. It is impossible, before the foreign firm makes a formal submission, to elicit any definite information about whether or not the application will be approved. Each application is judged individually but the following generalities may provide a rough guide.

First, the Foreign Exchange office favours investments which show promise of a net gain of dollar exchange by France on a short to medium-term basis. That is, they favour an establishment where the initial outlay of capital for the purchase in France of equipment, real estate, and machinery outweighs any foreseeable

Manufacturer in France

... ways and means

future requirements of foreign exchange for dividend and interest payments to Canada. They also favour an investment which will have the ultimate effect of decreasing France's dependence on imports from dollar countries. The latter applies particularly to basic industrial materials, industrial goods, and semi-finished products that France must import in order to supply her domestic industries.

Second, applications for the establishment of a new firm in those fields of enterprise where the output of existing French firms is sufficient for the needs of the domestic market are carefully scrutinized. The Government may feel bound to refuse the application of a foreign company proposing to enter a particularly sensitive industry.

As the success or failure of a branch plant in France may depend on having the managerial services of an executive from the parent organization, it should be pointed out that the executive requires a commercial permit (carte de commerçant) before he may legally take up his duties. These permits can be obtained from the local Prefecture upon the recommendation of several organizations such as the Ministry of Trade and Industry, the Centre National du Commerce Exterieur, and the local Chamber of Commerce. A Canadian company might wish to have the services of its own skilled workers during the initial stages of bringing a French plant into production. Such workers require a working permit (carte de travail) obtained through the local Prefecture.

Company Structure

There are several ways in which an enterprise can incorporate or register in France. The one that appears commonly used for a branch plant organization is a limited liability company known as a Société à Responsabilité Limitée or, more familiarly, a S.A.R.L. The minimum capital for such a company is one million francs ($2,850.00). There must be at least two shareholders. In the case of a subsidiary company, the parent organization will quite often subscribe 95 per cent of the capital, leaving 5 per cent to local management. The liability of the shareholders is limited to the nominal value of the shares of each holder and the name of the company must either describe its objectives or consist of the names of the individuals owning it. The formation of this type of company is relatively simple and a firm of French solicitors can readily dispose of the formalities. Copies of the statutes of a limited liability company and the names of reputable legal firms able to handle the formalities can be supplied by the Commercial Secretary's office, Paris, on request.

Taxes and Social Security Charges

The subject of French taxation is too complex to be dealt with extensively here. In addition, the Government is currently considering new taxation measures which may invalidate any rates now in effect. The following, however, are the highlights of the present tax policy:

- Corporation tax of 41·8 per cent of real net profits.
- Withholding tax of 19·8 per cent on dividends paid to shareholders.
- Turnover tax (similar to Canadian sales tax) of 24 per cent.
- Payroll and social security taxes and charges amounting to approximately 40 per cent of payroll. A recent study showed foreign subsidiaries were actually paying anywhere from 34·5 to 46·1 per cent of their payroll for such charges.

Labour Conditions

At the present time there is almost full employment in France. The latest figures show that only 36,000 persons are without work in the whole country and there is a definite shortage of ordinary labour. Although various surveys have shown that the average French labourer's wage level is less than $100 per month, one must always take into account the additional social security payments referred to above. Because of these social security guarantees and other factors, French labour is not as mobile as Canadian. The employment or discharge of all personnel must be reported to the Ministry of Labour. The work week

(generally 40-48 hours) and minimum wages are fixed by government decrees. Employees in all categories are extensively unionized.

Transfer of Dividends and Capital

At first sight, the establishment of a branch organization in France may appear involved. Nevertheless, there are many sources from which the potential investor may obtain assistance. The French Government, in general, seeks to encourage the creation of industries which will reduce the country's dependence on imports. Once an application is approved by the French administration, the right to transfer dividends to Canada or to repatriate the equivalent of the original investment is automatic.

Hong Kong's Industrial Boom

A huge increase in population in the last dozen years, political stability, ready availability of capital and other favourable conditions make modern Hong Kong an important industrial centre with good prospects. Canada's trade in goods transhipped through Hong Kong will probably decline, but demand for raw materials and semi-manufactured goods in colony growing.

C. M. FORSYTH-SMITH, *Canadian Government Trade Commissioner, Hong Kong.*

CAUGHT UP IN A CONTEST of forces tugging from different directions, the economy of Hong Kong has begun to reflect growing prosperity during the last few months. Building activity, industrial progress and trade have increased. This has been particularly encouraging in view of the dislocation of her traditional trading pattern, caused by the embargo on trade in strategic goods to Mainland China, her chief trading partner.

The increase in population from 600 thousand in 1945 to approximately 2½ million in 1956, as a result of an influx of refugees from Mainland China and an extremely high birth rate, has placed a severe strain on the economy and complicated economic readjustment. Severe shortages in housing and water supplies and congestion in most public utilities have characterized the Hong Kong scene for some years and, despite government action to remedy these evils, a large segment of the population still lives under substandard conditions.

Rapid Expansion Is Keynote

The most significant postwar development has been the great expansion of secondary industry in the Colony. Immediately after World War II, Hong Kong's industry experienced the greatest boom in history. This boom was later intensified by the outbreak of the Korean War and has continued to the present time.

The development of new industry has provided jobs for an increasing number of workers and has played a large part in absorbing refugees from the Mainland. Hong Kong now is an important manufacturing centre, particularly of such things as primary and secondary textiles, footwear, plastic goods, some chemical products and a great many consumer goods. Her success in these fields results largely from stable political conditions, an ample labour force, the industry and initiative of management and labour, and a comparatively low wage structure. Equally important has been the availability of investment capital among the more wealthy refugees and from overseas Chinese in the adjacent areas, who consider that Hong Kong offers more attractive investment opportunities than some of these less stable Asian areas.

Long-Run Problems Loom

The increasing importance of industry in the general economy has resulted in some decrease in Hong Kong's dependence on commercial services, although her role as an entrepôt still predominates. Exports of Hong Kong manufactured goods during the first six months of 1956 rose by HK$61·4 million, or 17·8 per cent.

Great expansion of secondary industry has marked Hong Kong in postwar years, with special emphasis on goods in which labour costs bulk large. These Chinese girls are engaged in beadwork embroidery in a typical Hong Kong factory.

Indications are that the second half of the year will see even greater growth. Some pressing problems face Hong Kong industrialists in their expansion plans, however, and the long-term prospects are somewhat uncertain. Among these problems are action which some governments have already taken to limit imports of Hong Kong manufactured goods; growing agitation by manufacturers in other countries for protection against Hong Kong textiles and other secondary products; growing nationalism in the countries of South East Asia and the development of light industry by these countries which will also have its effect on markets for Hong Kong goods; and increasing competition from highly industrialized countries such as Japan and Germany.

Entrepôt Trade Still Profitable

Despite the phenomenal growth of secondary industry and the increasing importance of locally-manufactured goods in domestic and export trade, Hong Kong continues to be an important entrepôt centre and earns the largest percentage of her income from entrepôt trade. The slump in trade in 1954 and early 1955 has largely been overcome and total exports during the first six months of 1956, valued at HK$1,647·1 million, showed an increase of 38·9 per cent over the corresponding period of 1955. Imports during the same period reached HK$2,337·6 million, a rise of 26·8 per cent. Exports to most of Hong Kong's principal markets have increased in value and this is particularly true of exports to Indonesia and Thailand. Exports to Mainland China, on the other hand, decreased in value from HK$122·4 million to HK$52·8 million. This serious drop in exports to China can largely be explained by the Chinese policy of buying direct wherever possible rather than through intermediaries. Imports from China increased from HK$405,391,365 to HK$514,568,248 or some 26 per cent, and thus Hong Kong had an adverse balance of trade with China of HK$461,768,248. It should be noted, however, that a large percentage of Hong Kong's food supplies originates in China and the increased imports reflect the increasing population and buoyant economic conditions in the Colony.

Trade with Canada Changes

The development of secondary industry has had a marked effect on Canada's trade with Hong Kong, both in imports and exports. Over the past three years Hong Kong's exports to Canada have risen, largely as a result of increasing shipments of manufactured goods, such as rubber footwear, torches and flashlights, various types of gloves, and other textile items. Shipments from Hong Kong to Canada of goods of Chinese origin have changed little and the total value of these goods has remained roughly the same for the past two or three years. In the future, however, it is probable that shipments of Chinese produce via Hong Kong will decrease as the People's Government's policy of dealing direct is more fully implemented.

Raw Materials More Important

Canada's shipments to Hong Kong have fallen slightly, partly as a result of a decline in re-export business and partly because of increased competition from other sources of supply. Shipments of certain raw materials from Hong Kong's growing industries have risen appreciably; shipments of manufactured consumer goods have decreased. Thus there has been a significant drop in exports of Canadian flour to Hong Kong because a flour mill has been established in the Colony and at the same time shipments of Canadian wheat to be processed in the local mill have increased. Similarly aluminum, chemicals of various kinds, raw materials for the plastics industry, and other industrial items have been shipped in increasing quantities to this market. Shipments of finished goods have fallen off.

The future of Hong Kong-Canadian trade is difficult to predict but exports of Hong Kong manufactured goods to Canada may expand and exports of China produce may decrease gradually. By present indications, Canada's exports to Hong Kong for transhipment will continue to decline with the growth of nationalism in Asia and the policy of direct importing encouraged by most governments. Canadian exporters should concentrate on the Hong Kong demand for raw materials and semi-manufactured goods because this market should continue to expand and Canada's share of it can be increased. ●

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West Germany Expand

Postwar growth in German petrochemical industry has been accompanied by rise in imports of Canadian chemicals. Review of important developments in German plants should prove valuable to Canadian traders who cater to this supplementary demand from chemical processors there.

S. G. BARKLEY, *Commercial Secretary, Bonn.*

THE LARGE-SCALE EXPANSION in the West German petrochemical industry since 1950 does not, at first glance, appear to offer opportunities to Canadian exporters. Yet the past few years have witnessed an increasing trade in such chemicals between Canada —where this industry is also growing by leaps and bounds—and Germany. This trade emphasizes the supplementary demand by the huge German chemical processing industry and its many branches. For this reason, a review of some of the main developments in this German industry may be of value.

How Industry Developed

The development of petrochemicals in West Germany has been closely associated with that of coal chemistry. The great deposits of coal and the associated steel industry in the famed Ruhr district of Western Germany were factors leading, at the beginning of this century, to the processing of coal by carbonization on a large scale. High-pressure hydrogenation of coal and the Fischer-Tropsch synthesis were adopted during the thirties. Of late years acetylene chemistry, which uses either coal or natural gas as raw material, has assumed great importance in the German industry.

The very fact of Germany's immense coal deposits, in relation to rather poor mineral oil reserves, accentuated the demand that coal chemistry be combined with petrochemistry in order to find the right solution. An excellent illustration of this joint effect of the two branches is the Phenol-Chemi-GmbH. plant at Gladbeck-Zweckel (near Essen) where benzene produced by carbonization is united with a product of the petrochemical industry, propylene, to form the hydrocarbon cumene from which phenol and acetone are derived.

However, the petrochemical industry in Western Germany has also made considerable progress by itself and swift expansion continues. The obtaining of cheap raw materials from crude oil offers economic advantages compared with the costs of producing acetylene gas.

A wide range of solvents—including the alcohols, ketones, chlorinated hydrocarbons and intermediates such as phenol—are processed from the basic raw materials, oil and natural gas. A considerable number of intermediates used in the production of synthetic materials are now obtained from this comparatively new petrochemical development. An example is the Rheinpreussen A.G. plant at Moers near Duisburg-Rhein, where the Fischer-Tropsch synthesis has been discontinued and isopropyl alcohol, secondary butyl alcohol, and alkylated benzenes are manufactured from gases received from several oil refineries.

Petrochemical Production in 1955

During the year 1955 about 130 thousand tons of oil products, including refined gas, were processed in Western Germany by petrochemical plants, or roughly 1·3 per cent of the crude oil consumed in Western Germany in the period under review. In addition, 105 million cubic metres of natural gas were processed which permitted the manufacture of a total of 208 thousand* tons of petrochemicals.

Natural gas production in Western Germany increased greatly in 1955—to 239·5 million cubic metres as against 87 million cubic metres in 1954. This reflected the sharply increased demand from petrochemical plants.

The rapid growth of West German oil-refinery production is shown by the following figures supplied by the Mineral Oil Association:

CRUDE OIL RECOVERY IN 1,000 TONS

Origin of Crude Oil	*1950*	*1955*
German	1,119	3,147
Imported	2,273	7,111
Total	3,392	10,258

* Source: Fachverband Kohlechemie e.V., Essen (Association of Coal Chemicals Industry).

etrochemical Production

Sources of imported oil in 1950 and 1955 were:

Origin of Crude Oil	*1950*	*1955*
Saudi Arabia	722	2,787
Iraq	851	2,121
Kuwait	239	1,261
Qatar	16	15
Iran	9	83
Middle East	1,837	6,267
Venezuela	436	750
Mexico	....	94
Central America	436	844
Total	2,273	7,111

Leading Manufacturers

The largest petrochemical unit in Western Germany is the Chemische Werke Huels at Marl near Recklinghausen-Westfalen. Before 1945 this plant produced Buna S (synthetic rubber). After the war it manufactured solvents and plastic materials. Under construction now are facilities for the production of 45,000 tons a year of synthetic rubber. The basic raw materials for this huge plant will be obtained from butane gas available from various German oil refineries.

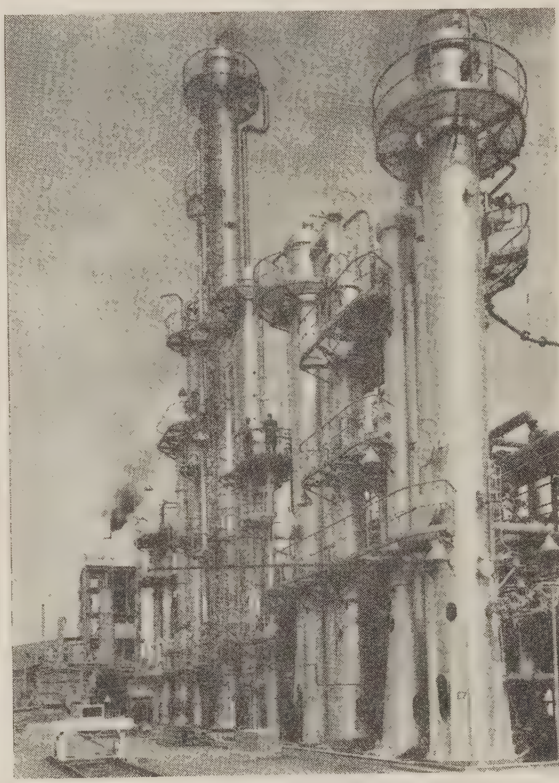
The oldest petrochemical producer is Rheinpreussen A.G. fuer Bergbau und Chemie at Moers (near Duisburg-Rhein), where a wide range of organic chemicals are processed, including 10,000 tons of alcohols a year. This plant illustrates the recent change from coal chemistry to petrochemical production.

The high-pressure process for the manufacture of polyethylene is employed by the Badische Anilin- und Soda Fabrik A.G. in its plant at Ludwigshafen. In addition, this same process is used at the Rheinische Olefinwerke's plant at Wesseling (on the Rhine between Bonn and Cologne) with a capacity of 12,000 tons a year. This modern plant was recently built by Badische Anilin- und Soda Fabrik in association with Deutsche Shell A.G.

The recognized low-pressure process for the production of polyethylene, as developed by Professor Ziegler, has been adopted by the Farbwerke Hoechst A.G. in a newly constructed plant with a capacity of 24,000 tons a year at Hoechst (near Frankfurt). The basic raw material, ethylene, is supplied by a crude oil cracking process developed by this firm. Chlorinated hydrocarbons processed from natural gas are also included in this firm's wide range of products.

The plant of Phenol-Chemie GmbH. at Gladbeck (near Essen) produces phenol and acetone, with an annual capacity of 11,000 tons of the former and 7,000 tons of the latter.

Among the plans of West German firms for the production of low-pressure polyethylene are the following: Bergwerksgesellschaft Hibernia A.G. of Herne-Ruhr is working on a test plant with a production of 1,500 tons of polyethylene a year by late 1956. This firm is also planning a huge plant bordering Scholven-Chemie A.G., Gelsenkirchen. Close co-operation exists between Hibernia A.G. and Chemische Werke Huels A.G. in this field, with the latter firm erecting a research plant expected to be completed by 1958. It



This separating column is a vital part of a West German isopropanol plant established since the war. It turns separated propylene into isopropyl alcohol by using 70 per cent sulphuric acid at a temperature of approximately 80 degrees Centigrade.

is also reported that Hibernia A.G. may soon produce polypropylene, with small quantities available for experimental purposes. Kohle-Oel-Chemie GmbH. at Gelsenkirchen plan the construction of a plant for the production of polyethylene with a capacity of 12,000 tons per annum. Ruhrchemie A.G. also are producing polyethylene on a small basis from their own refinery gases.

An interesting development is the making of chlorinated hydrocarbons from natural gas, as supplied to Farbwerke Hoechst from the Pfungstadt area in southern Germany. In the same district Badische Anilin-und Soda Fabrik A.G. obtains natural gas from the Stockstadt field for conversion to ammonia, etc.

Another well-known German chemical firm, Farbenfabriken Bayer A.G., Leverkusen-Rhein, is making plans to share in this petrochemical expansion program by the construction of a crude oil cracking unit at Dormagen-Rhein. This plant will possibly be the forerunner of several new units, resulting in the manufacture of many organic chemicals.

Chemical Trade with Canada

The increasing chemical trade between West Germany and Canada is evident from the following table:

EXPORTS OF CHEMICALS AND ALLIED PRODUCTS FROM CANADA TO WEST GERMANY

1950	$1,479,859
1951	3,936,722
1952	1,909,483
1953	2,858,942
1954	4,536,879
1955	5,223,667
First 6 months 1955	2,437,782
First 6 months 1956	3,438,259

The above totals include predominantly leading Canadian petrochemical products such as synthetic rubber, polystyrene, pentaerythritol, propylene glycol, methanol, and various related products. Synthetic rubber and pentaerythritol are admitted into West Germany from all sources duty-free; the other materials mentioned above currently enter at effective rates of duty ranging from 8 per cent to 19 per cent.

Basic chemical raw material products, provided that they are competitive in price and quality, are of much interest in this expanding market; this was illustrated recently by the large number of trade inquiries received at the Canadian chemical stand at the Hannover Industries Fair last May.

Provided that the Canadian chemical manufacturer is willing to meet the competition of bulk shipments and provided also that he makes adequate arrangements for warehouse and sales distribution facilities in West Germany, he should find a growing market in this country. ●

ADEN—Crossroads of the East

THE COLONY OF ADEN, consisting of the port and surrounding area, occupies 80 square miles; under its administration are the Western and Eastern Aden Protectorates with an area of 112 thousand square miles. The population of the colony proper is 140 thousand and of the protectorates 670 thousand.

The Port of Aden controls the southern entrance to the Suez Canal and is a ship bunkering and supply centre. During 1954 over 5,000 ships, a total of 22 million tons, passed through the port, about half under the British flag. The Anglo-Iranian Oil Company's new five-million-ton capacity refinery there strengthens Aden's position as a fuel supply and distribution centre for the Red Sea and East African areas.

Main commercial activities are oil refining, ship repairs, ship chandling, the entrepôt and transit trade, and salt production. Fish are dried or salted for export but fishing methods are primitive. Local plants fabricate various products, including aluminum utensils, and process basic commodities from neighbouring countries for export.

Aden territory is in the sterling currency area; imports from the dollar area, Japan, and the Soviet bloc are restricted. Exchange control measures have prevented full development of transit trade opportunities, and competition from Djibouti for the entrepôt business is increasing.

Main imports are fuel and bunkering supplies; coffee, cereal grains, raw hides, and gum come in from neighbouring countries for export to world markets and often are processed in Aden. Merchants in neighbouring Arab and African countries are not disposed to buy directly or stock goods; they prefer to obtain supplies from Aden. Most merchants in the Colony deal in a wide range of commodities as importers, wholesalers, or retailers and often as exporters.

Canada's exports to Aden have been small. They consisted mainly of flour in 1952 and since then largely of spare parts for automobiles (total exports last year, $16,126). Canadian exporters might investigate possibilities for construction timber, motor cars, canned foods for ship supplies, and dried milk. In addition, there are opportunities for household appliances and air conditioners, farm machinery, commercial fishing gear, machine tools and hardware.

—M. R. M. DALE,
Commercial Secretary, Cairo.

New York Buyers for Export

Interested in selling to firms and organizations in New York which purchase for foreign governments or overseas enterprises? A new Directory prepared by the New York office of the Canadian Trade Commissioner Service provides valuable data about this specialized market.

C. E. BUTTERWORTH, *Consul and Trade Commissioner, New York.*

THE COMMERCIAL DIVISION of the Canadian Consulate General in New York has prepared a Directory of 278 firms and organizations in the city that purchase goods in the United States, and possibly in Canada, for export to foreign countries. A member of the Consulate has personally called upon or telephoned each firm, with the intention of providing as accurate and up-to-date information as possible.

The Directory, which is entitled *New York Buyers for Export,* is divided into four main sections:

1. *Foreign government and semi-official purchasing agents*
   Agencies listed—44
2. *Purchasing offices for overseas enterprises*
   Firms listed—103
   - (*a*) Oil companies and suppliers
     Firms listed—22
   - (*b*) Mining companies
     Firms listed—25
   - (*c*) Engineers and contractors
     Firms listed—34
   - (*d*) Others
     Firms listed—22
3. *Exporters and importers*
   Firms listed—122
4. *Resident buyers for overseas department stores*
   Firms listed—9

Each firm or organization is listed alphabetically in its group, with the address, telephone number, name of officer or officers currently concerned with purchasing, type of operation and, wherever possible, what the firm buys and where it is shipped, plus any other relevant information.

The Directory does not attempt to list all the New York buyers for export. Instead, it gives some of the larger ones and provides a good cross-section for each group. Its main purpose is to act as an introduction or stepping-stone for Canadian manufacturers and exporters who wish to enter this market, which is said to be larger and more diversified than that afforded by many of our best customers abroad.

Market Worth Cultivating

Foreign Trade published in 1954 a series of three articles entitled, "How to Sell through New York", written by the author; they appeared in the issues of November 27, December 11, and December 25. Briefly, they described the different functions of these New York firms which purchase or channel goods to other countries and the technique of selling to them. It was pointed out that this relatively little known market —formed by the sum total of the purchasing power of the various firms concerned—is large, diversified and practically on Canada's doorstep. It has been estimated that the number of organizations involved in this type of business, in one way or another, runs as high as 2,000 and many of the larger ones purchase over $1 million worth of goods for export every year, involving anything from pins to locomotives. The fact that most of these New York firms pay for goods they buy in dollars should interest Canadian manufacturers and importers, because this eliminates the credit risk and the problem of import permits and foreign exchange licences.

These firms as a whole form a highly specialized international trading group with world-wide connections. If Canadian manufacturers ignore them, it is just so much business lost; most of it is not available elsewhere. Even for the larger manufacturer who feels that it is not feasible to have direct representation in some of the smaller countries, New York may offer a good outlet. For the smaller manufacturer, the group provides a convenient way of testing out foreign markets without travelling farther than New York. For both groups it means selling *in* the United States

without encountering the difficulty of selling *to* the United States.

How to Sell

The advantages enumerated above in selling to this group of New York firms are counteracted to some extent by at least one factor—competition. In selling to the larger buyers in New York, competition with well known United States suppliers is keen.

Canadian manufacturers and exporters who are interested in selling to this group of New York buyers for export should first of all obtain the Directory from the Department of Trade and Commerce in Ottawa.* They should then write to the firms listed who seem to be in the market for their type of product, giving details about their goods and preferably enclosing catalogues. If this initial contact works out well, a personal trip to New York should follow. Sometimes this proves unnecessary. However, one point should be emphasized—it takes perseverance to sell to the large and busy buyers in New York. It is usually not enough to write and ask to be put on their mailing lists. Where Canadian firms have shown persistence, this market has usually proved rewarding. In compiling the Directory, we found that a large percentage of the New York firms had already done some business with Canada or would like to hear from interested Canadian suppliers.

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* If you wish a copy of this Directory, write to the Editor, *Foreign Trade*, Department of Trade and Commerce, Ottawa, Ontario. Reprints of the three articles, "How to Sell through New York", which Mr. Butterworth mentions, will also be supplied.

There's Still a Market in Grenada

Devastated by Hurricane Janet one year ago, Grenada faces the formidable task of rehabilitating its economy and improving its living standards. Despite these problems and dollar currency restrictions, Grenada offers worthwhile market which Canadian businessmen might investigate.

D. B. LAUGHTON,
Trade Commissioner, Port-of-Spain.

BECAUSE GRENADA DEPENDS ON AGRICULTURE for its prosperity, Hurricane Janet, which swept the eastern Caribbean last year, struck a heavy blow at the Island's economy. Eleven months later Grenada still suffers from the after-effects. Market prospects for Canadian exporters, however, appear good although rehabilitation projects have just begun.

When the Hurricane Struck

The one-night storm of September 1955 ripped through nutmeg groves and destroyed 85 per cent of the trees, flattened banana plantations, and uprooted half of the other crop-producing trees, plus stands of commercial timber. Accompanying floods washed out bridges and roads; wind and water wrecked power and communication lines; waves pounded to pieces the only pier on the island, destroying with it the government warehouse and its contents. Thousands of islanders were left homeless as the giant storm swirled out to sea.

Many countries like Canada sent relief supplies immediately, but permanent rehabilitation did not begin until recently. The United Kingdom has made outright grants of BWI$9·6 million to help the island and has extended BWI$7·2 million in long-term loans.

Main Income from Tree Crops

Grenada, a typical Caribbean island with mountains rising abruptly from the sea, a serrated coastline, and palm-lined beaches, is roughly 120 square miles in area and supports close to 85,000 inhabitants. The population is nearly all of African descent and is increasing quite rapidly at a rate of 2½ per cent each year. The town of St. George's is the capital and government headquarters for the Windward Island group.

High on the island's mountain slopes, patches of lighter green indicate where planted field and tree

This cargo of Canadian lumber being unloaded at Grenada was put to use repairing the damage done by Hurricane Janet, which wrought havoc on the island in September 1955.

crops have replaced the natural forest. On the more fertile lower hillsides, families have cultivated the same plantations for over a century.

Before the hurricane, Grenada islanders earned most of their income from tree crops such as nutmeg, cocoa, bananas, various citrus fruits, and such spices as cinnamon, cloves and vanilla. Nutmeg from Grenada accounted for about half of the world's supply and earned BWI$2·4 million in 1953; mace, the red inner cover of the nutmeg fruit, accounted for almost $1 million of this amount.

It was fortunate that there were heavy stocks of nutmegs in storage when the hurricane struck; nutmeg sales at improved prices later in the year, and relief funds that poured in, have helped maintain the average income temporarily. Although consumers are buying a variety of goods and demand is brisk, price alone determines how much is sold; buyers are frugal as they are used to low living standards and have so many things to replace after the storm.

Grenada a Worthwhile Market

Grenada's imports in 1955 totalled BWI$9·9 million and most goods came from the United Kingdom, followed in order by Canada and the United States. The Canadian portion of the trade was valued at BWI$1·7 million (c.i.f.) of which three commodities accounted for 76 per cent: flour ($740,200); salt fish ($287,600); and lumber ($257,100).

Canada's position as a main supplier of salt fish is in sharp contrast to her proportion of the paper products and cured meats trades: she obtained barely 10 per cent of this market. For other commodities the Canadian share of the market also seems disproportionately small, even when you allow for the restrictions on dollar currency. For example, Canada was the main supplier of imported beer to nearby Trinidad in 1955 but had practically no sales to Grenada. The same was true for unmanufactured tobacco. The following list of Grenada's most important imports in 1955 shows how much buying was done in the dollar area, compared with the total amount spent for the commodity:

Imports from:

COMMODITY	CANADA	UNITED STATES	TOTAL IMPORTS
	(BWI $)	*(BWI $)*	*(BWI $)*
*Fish, dry salted	287,600	Negligible	305,000
*Flour	740,000	597,000	1,337,500
*Meats, pickled	22,900	46,600	125,700
*Meats, cured	10,300	Negligible	80,300
*Milk, condensed	Negligible	Negligible	177,600
*Tobacco	6,300	22,600	122,400
Beer and ale	Negligible	Negligible	184,300
Unmanufactured timber	257,100	242,700	635,100
Wearing apparel	Negligible	16,300	175,000
Boots, shoes, etc.	19,700	25,400	326,400
Cotton piece goods	24,300	128,700	404,600
Artificial silk piece goods	2,100	75,100	267,400
Electrical supplies	2,000	28,200	217,500
*Fertilizers	24,800	Negligible	157,200
Iron and steel manufactures	23,700	10,200	761,700
Paints, etc.	4,100	3,200	96,100
Paper, all kinds	9,000	29,200	88,000

* Commodity which can be imported from dollar countries without restriction.
(A BWI dollar is worth approximately 60 cents Canadian.)
Source: "Trade Account"—Department of Statistics, Grenada.

It will be five to ten years before the tree-crop production of Grenada can be completely rehabilitated and it is possible that the pre-hurricane output of nutmegs will never again be reached. The average income is bound to remain low but a continued increase in population and demand for living essentials creates a market which Canadian exporters should not overlook. As one of the sites proposed for the capital of a future Federation of the British West Indies, Grenada might become more important in time.●

commodity notes

Australia

RAYON—In a recent review of the Australian rayon-weaving industry, the managing director of Bruck Mills (Aust.) Ltd. said the present capacity of the industry is 40 million yards of rayon fabric a year. This, with imports allowed, would make 57 million square yards of rayon piece goods available to the clothing manufacturing trade, compared with 67 million yards imported or produced locally in 1954-55. The industry is running at 70 per cent of capacity and peak output can be reached in a matter of months. In the past ten years, capital investment in the Australian industry has totalled about £10 million—Melbourne, Sept. 14.

Austria

PAPER INDUSTRY'S REQUIREMENTS—Pyrites and sulphur required by the Austrian paper industry for the production of wood pulp are entirely imported. The principal suppliers are Italy, the United States, Greece and Yugoslavia. Because of insufficient local production, approximately 175 metric tons of printing inks and colours also are bought from foreign manufacturers. Requirements in rags, ropes and hemp cords have notably increased and now total an annual 7,900 metric tons, part of which is imported. The volume of waste paper used by Austria's paper industry is estimated at approximately 40,000 metric tons per year. Requirements of clay, talcum and most glues come entirely from home producers—Berne, Sept. 12.

Denmark

CANNED MILK—Danish canned milk has developed steady outlets in a wide variety of markets. According to the Federation of Danish Dairy Associations, production of canned milk amounted to 45·9 million kg. in 1955 as against 42·9 million in 1954. Exports, too, have risen, reaching 44·2 million kg. last year compared with 41·1 million kg. in 1954. The bulk of exports went to such Far Eastern countries as Burma, India, Thailand, Indo China, Indonesia, Malaya, and Hong Kong, which took delivery of some 28,000 tons. European countries purchased 5,200 tons, North and South America about 7,000 tons, and Africa about 4,000 tons. The most important individual purchaser was Malaya, with 6,000 tons—Copenhagen, Sept. 10.

France

AUTOMOBILES—During the first six months of 1956, car manufacturers in France increased their output 27 per cent over the corresponding period in 1955. As of June 30th, 423,317 vehicles had been produced compared with 373,256 last year (total 1955 production, 725,083 vehicles). Of the total produced during the first six months of each year, automobiles accounted for 339,852 and 284,341 units respectively—Paris, Sept. 10.

Greece

OLIVE OIL—Greece is the world's third largest producer of olive oil and second only to Spain as an olive producer. Average annual output of olive oil totals about 140 thousand metric tons and of table olives, about 40,000 metric tons. Because the 1955 crop was ravaged by the daccus fly, the export of olive oil was prohibited. Recent forecasts predict a 1956 crop of 150 thousand tons of olive oil and Greece will attempt to regain its important export markets, mainly the United States and Europe. The 1956 olive crop is expected to reach 78,000 tons compared with only 22,000 last year, about 1,300 tons of which went to export markets. Canadian importers bought 323,975 lb. at a cost of $49,673—mainly ripe olives of various sizes in brine—Athens, Sept. 14.

SEED POTATOES—Greece is again calling for tenders this fall for close to 9,000 tons of seed potatoes. The results obtained from last year's 3,630 metric tons (1,580 metric tons in 1954) of imported Canadian seed potatoes were excellent and, everything else being equal, the outlook for increased tonnage of Canadian seed is promising. Names like Sebago, Katahdin, Kennebec, and Irish Cobbler are now becoming favourably known among Greek farmers. Though further increases in the production of potatoes are reported, large quantities are still imported

for seed and to meet local consumption; these imports in 1955 amounted to 8,334 metric tons—Athens, Sept. 15.

TOBACCO—Tobacco ranks as the second largest Greek export by volume, outranked only by currants, but continues to be her biggest foreign exchange earner. Exports in 1955 of 55,000 metric tons were the largest since the war and the third largest in Greek history. These exports went chiefly to West Germany, Italy, the United States and France, and earned a total of $76·5 million. Canadian importers bought only 25 tons in 1955, although Greece offers a wide variety of Oriental tobaccos—Athens, Sept. 15.

India

OILS—India requires about five million tons of crude oil a year to meet her present consumption of kerosene, gasoline, aviation gasoline, mobile and diesel oil. At present, only 400 thousand tons of crude oil are produced at Digboi, Assam, India's only oilfield. The deficit is met by imported crude oil which is refined at the two Bombay refineries. If the economic development programs of the Second Five-Year Plan go according to expectations, India's mineral oil requirements will increase by about 70 per cent by 1960-61—or by Rs.1,500 million a year in terms of foreign exchange—New Delhi, Sept. 11.

Malaya

FLOORING—Malayan timber will be used to make a type of flooring material when a new company opens its factory in Kuala Lumpur, Malaya. It will use a Swiss process and will have exclusive manufacturing rights for Malaya, Borneo and Hong Kong. Already it is producing Italian terrazzo tiles and cement waterproofing compounds and a wire-netting plant is planned—Singapore, Sept. 14.

New Zealand

SYNTHETIC RESINS—Polymers (N.Z.) Pty Ltd., affiliates of Polymer Corporation Pty. Limited, of Homebush, Australia, is erecting a factory near Auckland. It is expected to begin operations later this year producing synthetic resins for use in the surface coating and plastics industry. The bulk of the company's business consists of the manufacture of alkyd resins for use in synthetic enamels and paints of the high-gloss type—Wellington, Sept. 17.

Norway

IRON—Because of favourable marketing conditions, the mining company A/S Sydvaranger will increase production of iron ore at its new plant to full capacity. It plans a total output this year of one million tons of iron concentrate, compared with 867 thousand tons in 1955. West Germany will take 570 thousand tons, the United Kingdom 200 thousand tons, and Austria 160 thousand tons. In addition, the Norwegian State Iron Works at Mo in Rana will receive 125 thousand tons of iron concentrate from A/S Sydvaranger this year—Oslo, Sept. 18.

Portugal

COD FISHING—It is reported that the Portuguese cod line fishing fleet, consisting of 50 vessels, has begun the return journey to Portugal from the Newfoundland Banks and Greenland after a highly successful season. They are returning with full cargoes, approximately a month earlier than usual. The trawler fleet of 22 vessels (which makes two trips per year) also had a satisfactory catch during the first campaign. Reports indicate that the supply of fish has never been so plentiful as this year. In addition, improved methods—such as better anticipation of where the cod are feeding, improved bait, more modern and efficient equipment—have all contributed to the successful results—Lisbon, Sept. 20.

South Africa

DIAMONDS—The Central Selling Organization for South African and other producers reported diamond sales worth £36·1 million for the first half of 1956, compared with £39·4 million for the same period last year—Cape Town, Sept. 12.

Sweden

ALUMINUM WINDOWS—A new type of metal-framed window for one, two or three panes has recently been launched on the market by AB Elumin-perspektiv, Malmö, Sweden. The company is expanding in several countries and is building up an organization of representatives and manufacturers who make Elumin windows under licence. They are made by automatic machines and are currently being produced in Finland, Germany and Switzerland. This company also makes and exports façade elements of aluminum and glass—Stockholm, Sept. 15.

United Kingdom

COAL—Preliminary work is to start this year on a big opencast mining project at Westfield, Fife, to yield 20 million tons of bituminous coal; most of the early yield of coal will be from outcrops before the seam, 700 feet below the surface, is reached. Initially the aim is to mine a million tons of coal annually. All the coal produced from the operation will be used for industrial fuel, most of it probably by the British Electricity Authority—London, Sept. 24.

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How DBS Can Help the Exporter--II

In our last issue, Mr. Loosmore discussed the more general DBS publications prepared for the exporter. Here he turns to more specialized fields. The annotated list presented in this, the sixteenth article in our series on the techniques of export trade, should prove a useful reference.

R. J. LOOSMORE,
Assistant to the Director, Industry and Merchandising Division, Dominion Bureau of Statistics.

IN AN ARTICLE in the September 29th issue of this magazine, I discussed general DBS publications containing data of value to Canadian exporters. I also mentioned certain secondary sources of information, such as the annual volumes in the *Census of Industry,* and some of the studies and surveys carried out by various divisions of the Bureau. The following pages contain an annotated bibliography of such material likely to be helpful to traders in a wide variety of fields, arranged mainly by commodity classification. The publications mentioned are annuals, unless otherwise stated. The businessman may obtain them by writing to the Information Services Division, Dominion Bureau of Statistics, and enclosing a cheque or money order made payable to the Receiver General of Canada.

Mineral Products

Exports of mineral products are given in a number of publications, including:

Preliminary Report on Mineral Production (35 cents)
Quantity of exports (also value in the case of a number of items) for past ten years of aluminum, cadmium, cobalt, primary copper, refined copper, iron ore, lead, mercury, nickel, selenium, silver, zinc, coal, asbestos, arsenious oxide, feldspar, graphite, gypsum, dead-burned refractories, nepheline syenite, peat moss, quartz, salt, sulphur, talc and soapstone, and cement.

Data on exports of the abóve commodities, and also on clay products, iron oxides, lime, mica, petroleum, stone and titanium are given at various places in the following publications:

The Silver-Lead-Zinc Mining Industry (25 cents)

Silver, Lead and Zinc Production (monthly; $1.00 per year, single copies 10 cents)

The Nickel-Copper Mining, Smelting and Refining Industry (25 cents)

Copper and Nickel Production (monthly; $1.00 per year, single copies 10 cents)

The Miscellaneous Metal Mining Industry (25 cents)

Iron Ore (monthly; $1.00 per year, single copies 10 cents)

Non-Ferrous Scrap Metal and Secondary Non-Ferrous Ingot (memorandum; quarterly, $1.00 per year)

The Coal Mining Industry ($1.00)

Preliminary Report on Coal and Coke Statistics (25 cents)

Coal and Coke Statistics (monthly; $2.00 per year, single copies 25 cents)

The Crude Petroleum and Natural Gas Industry (25 cents)

The Asbestos Mining Industry (25 cents)

Asbestos (monthly; $1.00 per year, single copies 10 cents)

The Feldspar and Quartz Mining Industry (25 cents)

The Gypsum Industry (25 cents)

The Peat Industry (25 cents)

The Salt Industry (25 cents)

Salt (monthly; $1.00 per year, single copies 10 cents)

The Talc and Soapstone Industry (25 cents)

The Miscellaneous Non-metal Mining Industry (25 cents)

The Cement Manufacturing Industry (25 cents)

Cement and Cement Products (monthly; $1.00 per year, single copies 10 cents)

The Clay and Clay Products Industry (25 cents)

Products Made from Canadian Clays (monthly; $1.00 per year, single copies 10 cents)

The Lime Industry (25 cents)

The Stone Industry (25 cents)

Fish and Fishery Products

Data on exports of fish are given in:

Fisheries Statistics of Canada ($1.25)

> Value of fish exports for past ten years. Quantity and value of exports of Canadian fish and fishery products for past two years, with considerable commodity detail. Value of total fish exports to individual countries for past two years.

Monthly Review of Canadian Fisheries Statistics ($2.00 per year, single copies 25 cents)

Food, Beverages and Tobacco

Exports of foods, beverages and tobacco, usually with a fine degree of commodity detail, are shown in the following reports:

Foods and Beverages General Review (25 cents)

The Process Cheese Industry (memorandum, 10 cents)

The Fruit and Vegetable Preparations Industry (25 cents)

The Flour Milling Industry (25 cents)

The Prepared Breakfast Foods Industry (25 cents)

The Feeds Industry (25 cents)

The Biscuit Industry (25 cents)

The Distilling Industry (25 cents)

The Brewing Industry (25 cents)

The Wine Industry (25 cents)

The Confectionery Industry (25 cents)

The Sugar Refining Industry (25 cents)

The Macaroni and Kindred Products Industry (25 cents)

The Miscellaneous Food Preparations Industry (25 cents)

The Canned Foods Summary (25 cents)

> Value of exports of canned foods by general commodity group, for selected years from 1939. Quantity and value of exports of canned fruits, vegetables, juices, with commodity detail, for past two years. Value of exports of concentrated milk products since 1920. Quantity of canned food consumed, shown in table incorporating production, imports, exports and inventory changes for current year.

The Slaughtering and Meat Packing Industries (25 cents)

> Quantity and value of exports, for past three years. Considerable commodity detail.

The Tobacco and Tobacco Products Industries (25 cents)

Quarterly Stocks and Consumption of Unmanufactured Tobacco ($1.00 per year, single copies 25 cents)

Leather, Fur and Products

Exports of leather, fur and their products are given in the following publications:

The Leather Footwear and Leather Boot and Shoe Findings Industries (25 cents)

> Exports of Canadian-made footwear, by quantity and value, to individual countries for past three years. Data for three classes of footwear.

The Leather Glove and Mitten Industry (25 cents)

The Leather Tanning Industry (25 cents)

The Miscellaneous Leather Products and the Leather Belting Industries (25 cents)

Statistics of Hides, Skins and Leather (monthly; $1.00 per year)

The Fur Goods and Fur Dressing Industry (25 cents)

Wood and Its Products

Wood and its products make up the most important group of Canada's exports, and data are given in:

The Lumber Industry (50 cents)

> Quantity and value of total exports of lumber, annually since 1926. Exports of forest products compared in dollar value with exports of the other commodity groups for past three years. Quantity and value of exports of sawmill products and other forest products for past two years, with considerable commodity detail.

Production, Shipments, and Stocks on Hand of Sawmills East of the Rockies (monthly $2.00 per year, single copies 25 cents)

Production, Shipments and Stocks on Hand of Sawmills in British Columbia (monthly, $2.00 per year, single copies 25 cents)

The Furniture Industry (25 cents)

The Veneer and Plywood Industry (25 cents)

Peeler Logs, Veneers and Plywoods (monthly, $2.00 per year, single copies 20 cents)

The Hardwood Flooring Industry (25 cents)

The Pulp and Paper Industry (50 cents)

> Exports of Canadian pulpwood by quantity, and as a percentage of production, since 1908. Quantity and value of exports of chemical pulp and of mechanical pulp since 1908, together with total exports as a per cent of total production of pulp. Exports of newsprint paper since 1917, by quantity and value, and as a percentage of production. Exports of forest products compared with exports of other commodity groups for past three years. Quantity and value of exports of wood pulp and of paper and paper goods for past two years, with considerable commodity detail.

Hard Board (monthly; $1.00 per year, single copies 10 cents)

Asphalt Roofing (monthly; $1.00 per year, single copies 10 cents)

The Paper Box and Bag Industry (25 cents)

The Printing Trade (50 cents)

Iron and Steel and Their Products

Exports of iron and steel and their products are given, with varying degrees of commodity detail, in:

The Primary Iron and Steel Industry (25 cents)

> Quantity of exports of primary iron and steel, with commodity detail, during current year.

The Agricultural Implements Industry (25 cents)

The Hardware Tools and Cutlery Industry (25 cents)

The Heating and Cooking Apparatus Industry (25 cents)

Primary Iron and Steel (monthly; $2.00 per year, single copies 25 cents)

Scrap Iron and Steel (memorandum, annual, 10 cents. There is also a special monthly statement, available on request.)

The Sheet Metal Products Industry (25 cents)

The Wire and Wire Goods Industry (25 cents)

Steel Wire and Specified Wire Products (monthly; $1.00 per year, single copies 10 cents)

Products of Transportation Industries

Exports of products of the transportation industries are shown in the following publications:

The Motor Vehicles Industry (25 cents)

> Number of passenger cars and of trucks and buses shipped for export by manufacturers, annually since 1945.
>
> Number and value of automobiles exported, by type, for last two years.
>
> Number of motor vehicles exported monthly, for past two years.
>
> Number and value of automobiles exported to principal countries of destination.

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The Aircraft and Parts Industry (25 cents)

The Bicycle Manufacturing Industry (25 cents)

Motor Vehicle Shipments (monthly, $1.00 per year, single copies 10 cents)

The Motor Vehicle Parts Industry (25 cents)

The Railway Rolling Stock Industry (25 cents)

Exports, with varying degrees of commodity detail, are given for the non-ferrous metal products industries, the electrical industries, the non-metallic mineral prod-

ucts industries, and the chemical industries in the following publications:

Non-Ferrous Metal Products

The Aluminum Products Industry (25 cents)

Quantity and value of exports of aluminum and its products (six commodity groups), for past two years.

The Brass and Copper Products Industry (25 cents)

Non-Ferrous Scrap Metal and Secondary Non-Ferrous Ingot (memorandum; quarterly, $1.00 per year)

The White Metal Alloys Industry (25 cents)

The Jewellery and Silverware Industry (25 cents)

Electrical Industries

The Electrical Apparatus and Supplies Industry (25 cents)

Domestic Electric Refrigerators (monthly; $1.00 a year, single copies 10 cents)

Radio and Television Receiving Sets (monthly; $1.00 per year, single copies 10 cents)

Non-Metallic Mineral Products

The Artificial Abrasives Industry (25 cents)

The Asbestos Products Industry (25 cents)

The Glass and Glass Products Industry (25 cents)

The Coke and Gas Industry (25 cents)

The Petroleum Products Industry (25 cents)

Quantity and value of exports of petroleum and its products (seven commodities) for past two years.

Refined Petroleum Products (monthly; $2.00 per year, single copies 25 cents; annual supplement 50 cents)

Refined Petroleum Products (Preliminary Report) (monthly; $1.00 per year, single copies 10 cents)

Chemical Industries and Products

Chemicals and Allied Products, General Review (25 cents)

Value of exports of chemicals and allied products to the United Kingdom, United States, and all countries for selected years since 1920.

The Acids, Alkalies and Salts Industry (25 cents)

Sulphuric Acid (special compilation, 15 cents)

Ammonium Sulphate (special compilation, 10 cents)

The Fertilizers Industry (25 cents)

The Fertilizer Trade (25 cents)

The Medicinal and Pharmaceutical Preparations Industry (25 cents)

The Paints, Varnishes and Lacquers Industry (25 cents)

The Primary Plastics Industry (25 cents)

The Soaps, Washing Compounds and Cleaning Preparations Industry (25 cents)

The Toilet Preparations Industry (25 cents)

The Vegetable Oils Industry (25 cents)

The Inks Industry (25 cents)

The Polishes and Dressing Industry (25 cents)

The Compressed Gases Industry (25 cents)

The Coal Tar Distillation Industry (25 cents)

Textile Products

Exports by the textile industries are shown in the following industry reports:

General Review of All Textiles (25 cents)

Value of exports of textiles, by component material and degree of manufacture, to the United Kingdom, United States, and all countries for past two years.

The Cotton Textiles Industries (25 cents)

The Wool Textile Industries (25 cents)

Synthetic Textiles and Silk Industry (25 cents)

The Awning, Tent and Sail Industry (25 cents)

The Cordage, Rope and Twine Industry (25 cents)

The Cotton and Jute Bag Industry (25 cents)

The Hosiery and Knitted Goods Industries (25 cents)

The Men's Factory Clothing Industry (25 cents)

The Women's and Children's Factory Clothing Industries (25 cents)

The Corset Industry (25 cents)

The Miscellaneous Clothing Industries (25 cents)

The Hat and Cap Industry (25 cents)

Rubber Products and Miscellaneous

Exports by the rubber products industry and the miscellaneous industries are given in the following reports:

The Rubber Products Industry (25 cents)

The Button, Buckle and Fastener Industry (25 cents)

The Broom, Brush and Mop Industry (25 cents)

The Musical Instrument Industry (25 cents)

The Sporting Goods Industry (25 cents)

The Miscellaneous Industries (25 cents)

Agricultural Products

Data on the export of agricultural products are given, with detailed commodity breakdowns, in the following publications:

Quarterly Bulletin of Agricultural Statistics ($1.00 per year)

> Value of exports of Canadian farm products to the United States, United Kingdom and all countries for past ten years.
>
> Value of exports of products of farm origin, by broad commodity group, to the United States, United Kingdom and all countries for the past two years.
>
> Quantity of exports of specified agricultural commodities for past five years.
>
> Quantity of exports of mixed fertilizers, by type, for year ending June 30.

Supplement to Handbook of Agricultural Statistics Part I—Field Crops (reference paper, 75 cents)

Grain Trade of Canada ($1.00)

Grain Statistics Weekly (memorandum; $2.00 per year)

Grain Milling Statistics (memorandum; monthly, $1.00 per year)

The Wheat Review (monthly, $2.00 per year)

Coarse Grains Quarterly ($1.00 per year)

Dairy Statistics (25 cents)

Live Stock and Animal Products Statistics (50 cents)

Production of Poultry and Eggs (25 cents)

Report of Fur Farms (25 cents)

Fur Production (25 cents)

Wool Production and Supply (memorandum, 10 cents)

Estimates of Production and Consumption of Meats (memorandum, 10 cents)

The Sugar Situation (memorandum; monthly, $1.00 per year)

Electricity, Oil Exports

Data on the export of electricity and of oil delivered to foreign pipeline connections are given in the publications listed below. The oil figures are not true net export figures, since they include oil entering the United States in transit to another part of Canada.

Pipe Lines (Oil) Statistics (annual, 25 cents)

> Quantity of oil delivered to foreign pipeline connections for past two years.

Pipe Lines (Oil) Statistics (monthly, $1.00 per year)

The Central Electric Stations Industry (25 cents)

> Quantity of electricity exported, by company exporting it, for past two years. Total exports for past nine years and for 1939. Exports, by province, for past year.

Central Electric Stations (monthly, $1.00 per year)

General Export Publications

These were discussed in part I of "How DBS Can Help the Exporter" in *Foreign Trade* of September 29, 1956.

Trade of Canada, Volume II, (annual; $5.00 per set of three volumes, single volumes $2.00 each)

Exports (monthly; $5.00 per year, single copies 50 cents)

Domestic Exports (monthly; $2.00 per year, single copies 20 cents)

Articles Exported to Each Country (quarterly; $2.00 per year, single copies 50 cents)

Review of Foreign Trade (twice a year; volume covering first half-year, 50 cents; calendar year, 75 cents)

Shipping Report (annual; $1.00 per set of three sections, individual sections 50 cents each)

Canal Statistics (annual, 25 cents each)

Canada Year Book ($4.00 clothbound, $1.50 paperbound)

Energy Sources in Canada—Commodity Accounts for 1948 and 1952 ($1.00) ●

transportation notes

Scandinavian Co-operation in the Air

THE SCANDINAVIAN AIRLINES SYSTEM operated by Denmark, Norway and Sweden affords a good example of international co-operation. This year SAS celebrates the completion of ten years of successful and expanding service—a service which began in September 1946 when the first airplane bearing the SAS emblem took off on a scheduled flight to New York. Since that time the services have been extended steadily to place the Scandinavian Airlines System among the world's leading international air carriers.

The earlier airline companies of the three Scandinavian countries, the basis of SAS, were among the pioneer air transport companies of the world. The Danish company, Det Danske Luftfartselskab A/S (DDL), was formed in 1918 and was the world's oldest established airline company. The firm introduced the four-engine Focke-Wolf Condor aircraft into service in 1938 but shortly thereafter had to suspend operations because of the occupation of Denmark by the German forces. The Swedish predecessor company, AB Aerotransport (ABA), was formed in 1924 and was originally equipped with Junkers seaplanes. In 1927 the line began to use the first three-engine all-metal passenger aircraft, the Junkers JU 52. By the outbreak of World War II, ABA's routes covered much of Europe, including Moscow and Berlin. The service to Berlin was continued during the war with Allied approval. In 1942, in fact, ABA established a courier service to England which served the Allied cause well, although not without loss of life and equipment from enemy action. The Norwegian airline, Det Norske Luftfartselskab A/S (DNL), did not begin operations until 1935, although Norwegian commercial air operations began as early as 1918. The assets of the company were seized following the invasion of Norway in 1940.

How SAS Developed

Although they were confronted with many obvious difficulties, all three Scandinavian airlines laid plans during the war for postwar operations. In 1942 the Svensk Intercontinental Lufttrafik AB (SILA) was formed to open up intercontinental routes. The following year ABA placed an order with the Douglas Aircraft Company for 10 DC-4's, an act of confidence in the outcome of the world war then going on. The first peacetime commercial flight across the Atlantic was made in June 1945 by SILA using a converted B-17 bomber, one of many which had made forced landings in Sweden during the war. The ten DC-4's were delivered in the spring of 1946, while plans for amalgamation were being completed. In July the consortium was established, with participation by the three airlines in the proportions 3/7 for Sweden's SILA and 2/7 each for Denmark's DDL and Norway's DNL. In September 1946 the first scheduled flight by SAS to New York was completed and shortly thereafter the South American service to Montevideo via Lisbon, Dakar, Recife and Rio de Janeiro was established. In 1948 the European service of ABA was absorbed as the European Division of SAS, bringing the total SAS network to over 92,000 miles.

New Routes Pioneered

During the next few years SAS inaugurated services to the Far East, including Karachi—Calcutta Bangkok—Cairo—Rangoon; in 1954 Hong Kong and Manila were added. Then a weekly service to Johannesburg was initiated and, amid much publicity, SAS pioneered the so-called "polar route" on the Great Circle from Scandinavia via Canada to Los Angeles. The polar route is now flown daily, with refuelling at Sondre Stromfjord, Greenland, where Denmark has built a hotel to facilitate stop-overs. It is anticipated that a new polar route linking Copenhagen with Tokyo and passing almost directly over the North Pole will be included in SAS scheduled service early in 1957, using Douglas DC-7-C's.

Today the SAS aircraft inventory contains 14 DC-7C's, 12 DC-6's, 4 DC-4's, 10 DC-3's, eight Swedish-built SAAB Scandias and one Junkers JU 52 seaplane. Sixteen Convair Metropolitans are currently being delivered and SAS has on order 14 DC-7C's and 7 DC-8 long-distance jet aircraft. Although these orders represent a very substantial investment, the Scandinavian Airlines System is confident that it is well justified by expanding traffic—the number of passengers carried increased from 425 thousand in 1950 to 931 thousand in 1955 (about half the passenger traffic of TCA). And certainly SAS has demonstrated to the world the commercial benefits which close international co-operation can bring.

—I. V. MACDONALD,
Assistant Commercial Secretary, Stockholm.

Italy Rehabilitates Its South

People in Italy's southern provinces are getting a new lease on life as Government pours in billions of lire to rehabilitate area and raise living standards. First six years of 12-year project proved so successful that program has been extended to 15 years.

K. F. OSMOND, *Commercial Secretary, Rome.*

LAST AUGUST, Italy reached the halfway mark in its long-range, 12-year program to rehabilitate the economy of its southern provinces and the islands of Elba, Sardinia and Sicily. Gradually the gap between living conditions in the highly industrialized North and the depressed South is narrowing. The Fund for the South, or "Cassa per il Mezzogiorno", which was set up in August of 1950, has financed a long-range rehabilitation program integrated closely with other economic projects, particularly land-use reforms and the division of estates among sharecroppers and peasants.

The southern problem in Italy is an age-old one and involves a combination of adverse economic, political, social, and geographic conditions. Although many attempts have been made in the past to find a practical way to raise depressed living standards there, none was ever successful. Since World War II successive Governments have tackled the problem realistically by planning concrete rehabilitation measures; a burst of new life and enthusiasm throughout the whole of the southern region has resulted.

Government Invests Large Sums

Recently, the Government further demonstrated its confidence in the southern development programs: it voted to extend the time-table for the Fund from 12 years to 15 years and boost the total allotment to 1,870 billion lire (about $2·6 billion).

When the Fund was first set up six years ago, the Government granted 1,000 billion lire (about $1·6 billion) to be spent in roughly equal amounts over a period of ten years. Financial backing was increased to 1,280 billion lire (about $2·0 billion) two years later when the term of the Fund was extended to twelve years. In addition to the money the Government has invested, the Cassa can issue bonds on its own and obtain foreign loans.

The Cassa is not considered to be a government agency; it is a separate public body with wide executive powers, which co-operates and co-ordinates its activities smoothly with government departments through a committee of ministers. One of these is especially designated as Minister for the Cassa and is responsible to Parliament for the projects. However, the organization has a freer rein than any ordinary government department.

The Cassa's program of expenditure for various types of projects is set out in the following table (figures used are those authorized before the recent increase came into effect):

	Lire (billions)	*Dollars (millions)*	*Percentage of Total*
Rehabilitation of agriculture	910	1,456	71·1
Aqueducts and sewers	150	240	11·7
Roads	115	184	9·0
Railways	75	120	5·9
Tourist promotion	30	48	2·3
Totals	1,280	2,048	100·0

To Help Farming

As the depression of the South is mainly reflected in its agriculture, the Fund is spending the greatest share of its money on land reclamation, land transformation, irrigation and flood control.

The Cassa's land reclamation projects comprise an area of nearly 10·5 million acres. Even before the Fund for the South came into effect, other government programs had reclaimed or improved about 2·5 million acres of this land; the Cassa assures completion of these projects.

The Fund directs its main efforts to the so-called "transformation districts" which cover an area of over 5·5 million acres; these require public works on a

(Left)

This irrigation dam on the Plain of Gela is typical of the work undertaken by the Cassa in "transformation districts". Its projects when completed will make fertile about 875 thousand acres of currently non-productive land in Southern Italy.

grand scale, as well as far-reaching land transformation. The program to rehabilitate agriculture includes the building of farmsteads on the new holdings which resulted when large estates were transformed into small farms, and the creation of new marketing and processing facilities for farm produce.

In 1950, the area under irrigation in Southern Italy was about 625 thousand acres; by the end of its twelve-year term, the Cassa expects to increase this to over 1·5 million acres. Some 150 thousand acres of irrigated land are to be set aside for production of citrus fruit and for market gardens; the remainder will be used mainly for field crops such as sugar beets, tomatoes, cotton, tobacco, and forage.

A much larger acreage is slated for improved dry-land farming patterns. The Cassa will protect these farm lands with projects to control floods and prevent soil erosion, including reforestation of coastal areas. Better practices are expected to raise cattle production by 100 thousand head and extend the acreage of tree and bush crops, particularly combinations of olive trees and vines.

Communities to Have More Water

The Cassa's program to construct aqueducts and sewers is second only in importance to its better land-use projects. Governments in the past have launched many schemes to provide the South with adequate water supplies; many were conceived on too narrow a basis and have not kept up with the needs of growing popu-

(Right)

In an area where the Cassa's program has made the land arable for the first time in centuries, a new town has appeared. The Cassa built these houses for farm workers.

lations. The Cassa plans by 1962 to bring adequate supplies of water to the borders of every municipality in the South, but local authorities will have to assume financial responsibility for distribution.

Transportation Improved; Tourism Promoted

The shocking state of the roads in Southern Italy was one of the main reasons for its backwardness. Expenditure by the Cassa on communications is, therefore, primarily directed towards new road construction and the improvement of existing roads. The program also aims to improve railway facilities by electrification, laying of second tracks, and other general re-organization where considered necessary.

To encourage the tourist industry, the Cassa program includes the building of many modern hotels and restoring the ancient ruins of earlier civilizations and art treasures which are scattered throughout the whole of Southern Italy.

Investment in New Industries

To encourage the industrial development of the South, the Cassa has made considerable credits available to industry from its own funds and from World Bank loans totalling $90 million. Construction of industrial plants and hydro-electric power installations has accounted for $70 million of the World Bank loans. A further loan from the Bank is probable in the next year; most of this money will be used to build more industrial plants and develop power resources. Many large industries are already operating as a result of loans; they include factories for the manufacture of cement, tobacco, paper, stockings, wire, steel, wool and building materials, as well as cotton mills, marble works, grain mills, and other miscellaneous plants. In addition, 207 new grain warehouses have been built, as well as dairy centres, cheesemaking plants, and firms to market or preserve fruits and vegetables.

The credit operations of the Fund for the South have so far led to a total investment of about $229 million in southern industry, including direct credit from the Cassa and investment capital that was encouraged to flow in. This investment in industrialization is already producing new wealth with an estimated gross value of $192 million a year.

Remarkable Results Achieved

It is still too early to state definitely the extent to which the Cassa has realized its ultimate objective of transforming the economy and the social structure of the southern areas. However, it has achieved some remarkable results.

Up to the end of November 1955 (the last date for which official statistics are available) the Fund had approved projects involving nearly $850 million and completed works amounting to more than $350 million. The projects have provided 125 million man-days of work for a labour force of 200 thousand men in the summer months.

The development program has meant a great deal to the people of the South. The demand for consumer goods and services has expanded enormously; rural townships and community centres have developed on a grand scale; road communications have improved markedly; agricultural technical institutes are in operation as well as new schools and health services; over one hundred new hotels are open for business.

The industrial expansion and improvement projects completed so far will ultimately boost output by $400 million a year, according to a recent survey; this is equivalent to a 15 per cent return on the Fund's expenditures so far.

The wide economic gulf between North and South Italy is at last narrowing and an enthusiasm has spread throughout Southern Italy. This response on the human plane is perhaps the best guarantee that the colossal efforts to implement the Cassa plans will be crowned with a generous measure of success.

Pineapples from Australia

THE CANNED PINEAPPLE INDUSTRY, largely situated in the southeastern areas of Queensland, makes a useful contribution to Australia's overseas income by exporting 70 to 80 per cent of its production. Exports of canned pineapple in 1955 totalled 968,302 cartons, a rise of approximately 20 per cent over the previous year. The United Kingdom took 82 per cent, Canada 10 per cent, and New Zealand 7 per cent. The United Kingdom, largest overseas buyer of canned pineapple juice, took approximately 41 per cent of the 121 thousand cartons exported. Shipments to Canada represented 38 per cent of this; New Zealand and Germany accounted for approximately 8 per cent each. Main overseas market for canned tropical fruit salad was New Zealand.

Production of canned pineapple expanded during 1955, with both summer and winter packs reaching a record. Reports indicate that output was approximately 1,347,000 cartons (a carton is equivalent to two dozen 30 oz. cans), compared with 1,109,000 cartons in 1954 and 754 thousand in 1953. However, the rise in output created difficulties in the marketing of pineapple juice, necessitating a reduction of 50 per cent in the canning of juice. Production of canned tropical fruit salad showed a substantial increase.

Official production estimates for 1956 are not available but prospects at present are for another satisfactory crop.

Two-Way Trade with Indiana

Two-way trade between Canada and this Midwest State ripe for further development, with good transportation services available. Current Canadian exports to this area include lumber, industrial raw materials, and certain agricultural products.

G. A. NEWMAN, *Deputy Consul General (Commercial), Chicago.*

THE MIDWEST AREA OF THE UNITED STATES is not one but many markets. Take Indiana, for example. It rests quietly between Illinois with its bustling Chicago, and Ohio, with its manufacturing cities such as Cleveland and Cincinnati. At first glance one might assume that this Hoosier State is a farming area without much to interest Canada. Such a conclusion is not, however, justified by investigation.

In the first place, it is an industrial rather than a farming state, although farming is important. Out of the 3·9 million people in the State (almost 25 per cent of Canada's population) 2·3 million are urban dwellers —leaving about 667 thousand to work the 170 thousand farms that comprise the rural area. The urban population is concentrated in 95 towns of 2,500 to 10,000; 20 cities of 10,000 to 25,000; 14 comparatively large cities of 25,000 to 100,000; and five large cities of over 100 thousand each.

Of the 1·5 million employed in the state (1950 census) 34·8 per cent are engaged in manufacturing, 17·6 in wholesale and retail trade, and 11·6 per cent in agriculture.

Products Sold to Canada

With a background such as this and the fact that cities in Indiana are only second-morning trucking distance from Canada, it is not surprising that Canada provides a steady market for Indiana products. In 1955, the total value of exports from the state to Canada was an estimated $33 million. This total included at least 65 different identifiable items, such as agricultural implements, automobiles and parts, cement, chemicals, chain, electrical and electronic equipment, furniture, glassware, machinery, and petroleum products. A number of these manufacturers are internationally known and some have branch plants in Canada.

Market for Industrial Materials

This close relationship with the Canadian market opens up two possibilities to Canadian businessmen. The first is that the State provides a good source for branch plant prospects and, second, it offers possible markets for Canadian industrial materials. Canada's exports to Indiana in 1955 included the following: aluminum, asbestos, copper, copper wire, dolomite, veneer logs, lead, masonite, metals, nickel, newsprint, printing paper, plywood, wood pulp, zinc, kraft wrapping paper, hides, hogs' hair, and syenite.

Other imports from Canada based on agricultural and consumer needs comprised agricultural machinery, cement, fish fertilizer, lumber, wallboard, peat moss, packinghouse products, grass and clover seeds, shingles and twine.

One of the largest imports from Canada, apart from newsprint, is lumber from the Canadian West. Lumber wholesalers are looking with increasing interest towards Canadian sources of supply.

Transportation and Services

Transportation and distribution facilities are always important in assessing a market. Indiana is well located for most shipping services either by rail, road, or water. Indianapolis, the capital and main business centre, is only 529 miles from Toronto. One Canadian railway maintains a freight agent in this city and there are regular and well-organized trucking services between this area and Canada.

Probably the initial approach to Indiana should be made through the city of Indianapolis, which has a metropolitan population of about 576 thousand and is the centre of 1,100 industrial plants—some with branches in Canada.

The key to Indianapolis' international trade is to be found in the World Trade Department, Indianapolis Chamber of Commerce, whose manager is well acquainted with all city firms engaged in international trade. A World Trade Committee which operates in relation to this department and comprises many of the leading manufacturers engaged in export trade may also be of service.●

Colombia Alters Exchange Regulations

Canadan exporters to Colombia will be interested in this clarification of the new exchange regulations and of the government decree recently issued. The author also sheds some light on the payments situation there.

W. B. McCULLOUGH, *Commercial Counsellor, Bogota.*

SINCE LATE 1954, the demand for official exchange to pay for imports and services in Colombia has exceeded export earnings and, despite various measures, the backlog in commercial commitments and the delay in remittances have continued to mount. The backlog for the first six months of this year is estimated at about US$200 million, although recent releases of official foreign exchange have liquidated applications registered in January and most of February. Of the $30 million released on August 1st, $15 million was applied to the old backlog and $15 million to applications registered from July 1st. Another release of $30 million on September 5th applied $15 million to the backlog and $15 million to current applications. The latter will clear up July and part of August.

Government Decree Issued

The latest development in this situation came on August 31, when a government decree, and subsequent Ministry of Finance regulations, fixed the rates at which banks are to buy and sell dollars or the equivalent in other currencies. The banks' buying rate will not be over pesos 4.50 to one U.S. dollar, and the selling rate not over pesos 4.52 per U.S. dollar.

The free exchange rate over the past four months had moved from about 4.50 to a peak of 5.12 in the last week of August. For the few transactions outside banks, the rate during the first days of September dropped to around 4.68 per dollar.

Classifications Switched

For the purpose of import control and exchange regulations, all imports are classified into one of seven categories: Preferential, Group I, Group II Special, Group II, Group III, Group IV and Prohibited, and carry, in addition to normal import duties, corresponding surtaxes from 10 per cent in Group I to 100 per cent in Group IV on the f.o.b. value. Imports under Preferential and Group I are paid for at the official rate of exchange of 2.51 pesos per dollar, and imports in the lower categories at the free rate of exchange, which up to August 31st was anywhere from four to 5.10 pesos per U.S. dollar.

In June, a number of commodities were removed from Preferential Group I to lower categories. At the same time, the Banco de la República (the Colombian central bank), offered holders of applications for official exchange, registered from January 1st to June 30th, the option of remitting, without delay, 50 per cent at the official rate and 50 per cent at the free rate. This became known in trade circles as the fifty-fifty scheme.

Fifty-Fifty Offer

At first, importers were reluctant to take up this offer, and, in fact, those who had imported merchandise and sold it on the basis of the official exchange rate could only do so at considerable loss. However, an increasing number have taken up the option, particularly importers of those items which were transferred to the lower categories and which now, in any event, must be paid for at the free exchange rate. None of the recent releases of official exchange applied to applications for imports of the transferred items. Consequently, these importers have been pressed to take up the fifty-fifty option.

On September 3rd, the central bank released approximately one million dollars to the commercial banks to sell at not over pesos 4.52 per dollar, to pay for freights and for applications under the fifty-fifty scheme.

On September 4th, $10 million was allocated to the banks to sell at not over pesos 4.52, to cover applications under fifty-fifty. The amount is limited to $50,000 per application. That is, an importer may purchase $50,000 at the official rate of 2.51 and $50,000 at the free rate of 4.52, or at a cross rate of 3.50 pesos per U.S. dollar. Each application must be approved by the central authority.

Payment Delays Explained

There may be some misunderstanding over why some drafts (January-June) remain outstanding, while more recent ones (July-August) have been paid, or why some buyers of the same commodity may have remitted while others have not.

The delay in payments is on those goods imported at the official exchange rate. The effective date of the application for exchange cover is the date of registration in the Exchange Control Office by the commercial banks. This registration is not made until after the goods have entered the country and the credit terms (if any) granted by the exporter to the importer have expired. There is no delay in remittances at the free rate, which is simply a matter of the customer arranging with his bank.

Some exporters of a variety of commodities may well have some that fall in Preferential and First Group and others in lower categories. Also, some exporters have shipped items which have been transferred from the official exchange to the free exchange groups. The variations in the time of remittances by different customers therefore depend on: (1), the classification of the commodity for exchange control; (2), whether or not the commodity was transferred to a lower group; (3), the registration date of the application for foreign exchange; and (4), whether or not some customers have taken up the fifty-fifty option.

Local business conditions continue buoyant, with heavy demands for imported goods. By various measures, the exchange control authorities are endeavoring to get their payment situation in order. Exporters of merchandise eligible for payment at the official exchange rate and shipped during the first six months of this year can expect some further delay in remittances, unless the Colombian Central Bank can make some special arrangements, such as obtaining a loan to clear up the backlog. This is a possibility.

Indonesia Revises Trade Regulations

Trade regulations recently issued provide for Export Inducement Certificates which allow Indonesian exporters certain percentage of f.o.b. value of product in foreign currency. Imports also reclassified for purposes of levying import surcharges on them.

W. D. WALLACE, *Commercial Secretary, Djakarta.*

THE LATEST REVISION of the Indonesian export and import regulations* was recently announced by the Ministry of Economic Affairs and took effect from September 3, 1956.

The main feature of the new export regulations is that they provide for an Export Inducement Certificate (BPE), amounting to a certain established percentage of the f.o.b. value of the product, to be issued to exporters of Indonesian goods. This certificate is expressed in terms of foreign currency and may, with the approval of the Indonesian authorities, be converted into another foreign currency at the official rates of the Bank of Indonesia.

The holder of an Export Inducement Certificate cannot retain the value in foreign exchange. However, he may dispose of it in various ways, such as:

- Selling it freely on the open market within three months of the date on which it was issued.
- Using it to import certain specified goods (subject to the normal import licensing procedure).
- Using it for certain other non-commercial purposes, in which case the normal Foreign Exchange Control Board procedure must be followed.

The following revised list of Indonesian exports shows the percentage of the f.o.b. value which the exporter receives under the inducement scheme:

Commodity	*BPE (in per cent)*	*Commodity*	*BPE (in per cent)*
Hides	10	Granulated sugar	....
Shells	10	Coffee	10
Tapioca	20	Tea	16
Dried cassava	....	Nutmeg/mace	10
Tapioca flour	10		

* Advance reports on these measures were published in *Foreign Trade* of August 18 and September 1.

Commodity	BPE (in per cent)	Commodity	BPE (in per cent)
Pepper	10	Cinchona bark	....
Areca nuts	10	Fibres	20
Tobacco leaf	8	Kapok	15
Cut tobacco	10	Copal: selected	10
Copra	10	unselected	6
Copra cakes	15	Resins: selected	10
Palm seeds	5	unselected	6
Palm oil	5	Rattan: selected	10
Etherial oils	15	unselected	6
Rubber: fabricated sheets, latex powder form, cuttings	5	Peanuts	15
Remilling materials, unsmoked sheets	2	Tin ore	.
		Coal	
		Teakwood	10
		Forest wood	10
		Other agricultural products	10

Import Regulations

The Indonesian authorities have also reclassified imports into new categories for the purpose of levying import surcharges. They have divided imports into nine groups and subdivided some of these further into two categories. Goods in the first category may be imported with normal foreign exchange; those in the second may only be imported through the use of Export Inducement Certificates.

The table below shows the rates of import surcharges on the nine groups of imports and on the two categories within these groups.

This system replaces earlier surcharges which amounted to 50 per cent, 100 per cent, 200 per cent and 400 per cent, respectively, of the value of the goods; very few imports were exempt from surcharges. In fact, therefore, the changes are not very great, although rates of surcharge on various imports have been revised and, in many instances, reduced.

The value on which import duties and import taxes are based is taken from the "normal" import surcharge of the group of goods concerned, irrespective of whether or not the goods qualify for the lower import surcharges under Export Inducement Certificates.

A summary of the new import classifications, showing some products that may be of interest to Canadian exporters, is given below. Information on the classification of particular products may be obtained from the International Trade Relations Branch of the Department.

GROUP I—Import surcharge—Nil. No items subject to Export Inducement Certificate.

Scientific literature
Milk powder for children
Aviation spirit 115/145 grade

GROUP II—Import surcharge 25 per cent—no items subject to Export Inducement Certificate.

Chemicals for disinfection or germ killing, DDT preparations, sulphur fungicides
Fertilizers of all kinds
Various seeds for agriculture; animals for breeding purposes

GROUP III—Import surcharge 50 per cent: the only item on Export Inducement Certificate is bicycle tires on which the import surcharge is 25 per cent.

Books and periodicals
Caustic soda, acids for industry, alcohols
Scientific cameras
Surgical instruments, bandages, gut, semi-raw materials for pharmaceutical preparations, pharmaceutical preparations approved by the Ministry of Health, empty vials, empty capsules
Ores, pig iron, steel bars, aluminum blocks, lead, nickel and zinc, soldering materials, building iron, wire and electrical cables, a large range of tools, knives, cement, raw materials for paints, shellac, asphalt, nuts and bolts
A large range of wood-free paper and of wood-containing paper
Salt fish, milk powder
A large range of essential stationery and office equipment
Rubber tires (cycle tires on Export Inducement Certificate), accumulators, ships, aircraft, buses with 14 or more seats, ambulances, pick-up (not delivery) vans, chassis and engines for motor vehicles, spare parts for cars, tractors, locomobiles, earth-moving equipment, road-rollers, steam generators, power gas generators, steam turbines, turbogenerators, cement mixers, engines, a wide range of industrial machinery, bearings
Various raw materials for the paper, tire, light bulb and battery industries, carbon black, explosives, mining lamps

GROUP IV—Import surcharge 75 per cent, no articles under Export Inducement Certificate.

Fish nets, hooks, industrial threads
Wheat flour
Cables for electrical installations, sailcloth
Materials required for retail packing

Rates of Import Surcharges

	Group	Normal Foreign Exchange Import Surcharge	Export Inducement Certificate Import Surcharge
I	Very essential import goods	0 per cent	not applicable
II	Essential import goods	25	not applicable
III	Essential import goods	50	25 per cent
IV	Semi-essential import goods	75	50
V	Semi-essential import goods	100	75
VI	Luxury import goods	150	100
VII	Luxury import goods	200	150
VIII	Very luxury import goods	300	200
IX	Very luxury import goods	400	300

GROUP V—Import surcharge 100 per cent, articles under Export Inducement Certificate only pay 75 per cent import surcharge.

(a) Normal exchange articles:

Office machines not otherwise specified, dry batteries (excluding torch batteries), nails, roofing materials, builders' fittings, mosquito wire, chicken wire, barbed wire, triplex wood, kraft paper, various packing papers, cigarette paper not in booklets, condensed and evaporated milk, rolled oats, baking powder, dyestuffs for food and drink industry, a large range of stationery and office equipment, various types of machinery and industrial appliances less essential than those in earlier groups, voltmeters, automobile batteries, parts for radio assembly, ammunition, cellophane and other packing materials.

(b) Export Inducement Certificate Articles

Cooking ovens, Aladdin lamps, flashlights, buttons, old newspapers, fluorescent lights, buses for 8 to 14 persons, delivery vans

GROUP VI—Import surcharge 150 per cent, articles under Export Inducement Certificate pay only 100 per cent import surcharge.

(a) Normal exchange articles:

Exposed cinema films, plastic rolls, raw tobacco

(b) Export Inducement Certificate Articles

Lighter flints, watch parts, cheese

GROUP VII—Import surcharge 200 per cent, articles under Export Inducement Certificate pay only 150 per cent.

(a) Normal exchange articles

Ciné cameras, films 16 mm. and up, projectors 16 mm. and up, calculating and adding machines, carbon paper

(b) Export Inducement Certificate Articles

Cameras, darkroom equipment, ciné cameras, projectors and films for below 16 mm., clocks, watches below SW. Frs. 35, better-type builders' hardware, better types of paper, tissue paper, fountain pens and propelling pencils, advertising material, non-electric sewing machines, outboard motors below 7½ h.p., gramophone records, weapons, airguns, scotchlite

GROUP VIII—Import surcharge 300 per cent. Export Inducement Certificate articles pay only 200 per cent import surcharge. All articles in this category are Export Inducement Certificate articles.

Sardines in tins of over 200 grammes, flavouring essences for soup, tobacco and food industries, etc.; passenger cars (including station wagons and commercial utilities) in completely or semi-knocked-down state, spare parts and components for refrigerators

GROUP IX—Import surcharge 400 per cent. Export Inducement Certificate articles pay only 300 per cent import surcharge; all articles in this category are Export Inducement Certificate articles.

Perfumes and beauty aids, soaps, jewels and personal jewellery, toys, watches above SW. Frs. 35, luxury stationery, biscuits, chocolates, drinks (excl. beer), honey, jams, marmalade, deep-freeze articles, pudding powder, sauces, spices, sweets, fish, meats, poultry, fruit drinks, cigarettes, tobacco (ready for consumption), refrigerators, electric household appliances, car radios, radiograms, tape recorders, record changers, dictaphones, passenger vehicles (including station wagons, etc., etc.) other than those mentioned in earlier groups, safes, leather shoes.

trade and tariff regulations

Chile

NEW LIST OF PERMISSIBLE IMPORTS—Amplifying a policy of gradual liberalization of imports, adopted in the early part of the current year, Chile recently revised the list of goods that may now be imported freely at a fluctuating rate of exchange.

Acting on the recommendations of the Klein-Saks Mission, brought in to assist in solution of existing financial and economic problems, the Chilean authorities brought into force in April 1956 a new fluctuating exchange system and a program of indirect control over imports which required importers to advance varying percentages in local currency of the value of orders placed abroad. At this time, a list of permitted and prohibited imports was instituted. Previous to this, a scheme of multiple exchange rates had existed and direct control over imports was achieved by the issuance of import permits.

On August 9, 1956, the Chilean Government issued Decree 859 which established new lists of goods which might be imported, replacing those established earlier. The net effect of the new legislation has been to clarify the position regarding permitted imports and to amplify the categories of goods which may enter the country. Certain articles have been reclassified and other changes have been made. Some of the new permitted imports are: aircraft (for both civil and commercial flying), motor vans, electric meters, special paints for industrial uses, and a comprehensive list of sports goods.

Of particular significance is the fact that the former prohibited list contained a stipulation to the effect that imports of industrial machinery would only be allowed to replace equipment destroyed by fire or other causes, or to avoid the closing of a factory. Under the new Decree, industrial machinery,

with the exception of a specified list such as compressors, winches and electric welders, may be imported freely. This revision was designed to assist in the replacement and modernization of existing plant equipment. A small number of items were transferred from the free list to the prohibited list of imports. These included commodities that are now produced in sufficient quantities in Chile to meet domestic requirements. An example of this class of articles is fluorescent fixtures.

A number of the headings listed in Decree 859 are described only in general terms. In cases where a commodity does not appear on the free list, a prospective importer may appeal to the controlling government body to determine if such article does qualify within a general category. On the basis of such appeals, alterations to existing lists are being made periodically.

Additional details concerning products included in the new list of permissible imports may be obtained from the International Trade Relations Branch.

New Zealand

IMPORT QUOTA FOR MOTOR VEHICLES—The New Zealand Government has announced an allocation of £14 million for imports of motor vehicles from all sources in 1957. This will provide for the import of approximately 35,000 vehicles which will be mostly in a knocked-down form. The allocation, it is stated, will be approximately at the same overall level as in 1956.

No official information has been published regarding imports of motor vehicles from the dollar area. In conformity with the general policy, 1957 licences will be overwhelmingly for British cars, amounting to approximately 84 per cent of all vehicles imported.

IMPORT CONTROL ON AMBULANCES—The New Zealand Minister of Customs announced on September 13, 1956, that applications for licences to import from North America built-up ambulances, chassis for ambulances, and station wagons or other vehicles required for conversion into ambulances will be considered from motor vehicle franchise holders where the application is supported by a firm order from the organization requiring the vehicle, and by evidence to show that the Minister of Health has approved the purchase of the particular vehicle.

United States

IMPORT QUOTA ON TABLE POTATOES UNCHANGED—The quantity of white or Irish potatoes, other than certified seed potatoes, that may be admitted into the United States at the reduced import duty of $37\frac{1}{2}$ cents per 100 pounds during the year which began September 15th has been set at one million bushels of 60 pounds each (the same as last year), according to an announcement by the Acting Commissioner of Customs on September 20th.

Imports in excess of the quota are subject to a duty of 75 cents per 100 pounds.

Under the GATT, the United States undertook to admit annually a minimum of one million bushels of white potatoes at the reduced rate of import duty. It was provided, however, that if domestic production should be estimated by the United States Department of Agriculture, as of September 1st of a particular year, at less than 350 million bushels, the tariff quota for the next 12-month period would be increased accordingly. Since the U.S. Department of Agriculture has estimated domestic production of white potatoes for the calendar year 1956 at 389,460,000 bushels, the quota admissible at the reduced tariff rate is being set at the minimum.

Trade Commissioners on Tour

L. S. GLASS, Commercial Counsellor for Canada in Wellington, New Zealand, began his Canadian tour in Montreal, August 6, and completes it in Victoria, October 15-16.

G. A. BROWNE, Commercial Secretary in Havana, Cuba, began the second part of his Canadian tour in Winnipeg, October 3-4. His itinerary is:

Saint John—Oct. 22	Ottawa—Oct. 29
Halifax—Oct. 25-26	

C. S. BISSETT, Commercial Counsellor for Canada in Buenos Aires, Argentina, began his Canadian tour in Montreal, July 30-August 10, and completes it in Ottawa, October 24.

D. S. ARMSTRONG, Canadian Trade Commissioner in Singapore, began a tour of Canada in Vancouver and Victoria, September 4-14. His itinerary is:

Montreal—Oct. 15-24	Saint John—Oct. 30
Halifax—Oct. 26	Ottawa—Oct. 31-Nov. 7

F. B. CLARK, former Commercial Secretary in Caracas, Venezuela, began a tour of Canada in Victoria, August 30-31. His itinerary is:

Montreal—Oct. 15-23	Halifax—Oct. 29-30
Granby—Oct. 24	Kentville—Oct. 31-Nov. 1
St. John's—Oct. 25	Saint John—Nov. 2-3
Quebec—Oct. 26	Ottawa—Nov. 5

Businessmen in the various centres may get in touch with these officers through the Board of Trade in Granby, Halifax, Kentville, Montreal and Saint John; Chambers of Commerce in Quebec and St. John's; the Department of Trade and Commerce in Ottawa, and the Department of Trade and Industry in Victoria.

General notes

Chile

DEVELOPMENT PLANS—The so-called "Copper Law", passed last year, gave better treatment to the large copper mining companies in Chile in the form of more equitable exchange rates. This law also contained a provision that part of the Government's receipts from the sale of the products of these large firms would be made available for the development of the copper-producing provinces. By an official decree issued recently, the Government authorized a plan for the development of these provinces. The new program calls for expenditures to develop and encourage coastal shipping, fishing, prospecting and mining, electrification, irrigation, agriculture and forestry; it will undertake to supply freezers, farming and mining machinery, and transport material, and to build a mixed fertilizer plant, cement plant and hotels—Santiago, Sept. 14.

INDUSTRIAL PRODUCTION—According to a report issued by the Economic Commission for Latin America, Chile's industrial production, which has been steadily increasing for a number of years, fell by 4 per cent in the year 1955—Santiago, Sept. 14.

Federation of Rhodesia and Nyasaland

MERCHANT BANK—The Rhodesian press reports that the House of Rothschild has decided to open a merchant bank in the Federation, and one of the largest American banking houses, Dillon Read, is said to be interested in investment possibilities here. This growing interest on the part of American banking houses has made a most favourable impression in local government and financial circles who regard it as a mark of the growing importance of this area—Salisbury, Sept. 11.

France

TRADE DEFICIT—For the first seven months of 1956, France has run up a trade deficit of over $600 million. This is nearly four times higher than last year up to that time ($164 million in 1955 as against $606 million in 1956). The deficit has resulted from a slight decrease (2·5 per cent) in French exports and a substantial (19 per cent) increase in imports for the period. Of the total deficit, approximately $230 million is with the dollar countries—Paris, Sept. 20.

India

SODA ASH PLANT—A local company is to build a plant in Uttar Pradesh to make soda ash and ammonium chloride. The plant will use a combined process, known as the Benz process, which has never been used in this country. The necessary machinery will arrive next year, and the plant is expected to go into production early in 1958. The State Government of Uttar Pradesh is expected to invest Rs.14·5 million in the project. The potential consumer of soda ash is the glass industry—New Delhi, Sept. 13.

Jamaica

BAUXITE DEVELOPMENT— The Kaiser Bauxite Company with extensive bauxite holdings in Jamaica has announced a further development scheme to cost over £10 million. It has bought the property of a hotel company at Discovery Bay, on the Island's north coast, including the hotel itself and its main beach. The development will be a bauxite shipping centre, comprising a pier and the necessary accessories and installations; construction is expected to begin in the near future. This company already has a shipping centre on Jamaica's north shore—Kingston, Sept. 15.

SEARCH FOR COPPER—During recent months, the Government has granted seven licences to prospectors seeking copper deposits and they are busy in various parts of the country, most of them using the latest devices; one Canadian concern uses a diamond drill. Copper certainly exists in Jamaica, but whether it can be mined economically remains to be seen. Beginning a little over a century ago there have been several such attempts but all were failures. There is a tradition that the Spaniards, who owned the country from 1494 to 1655, had copper mines here—Kingston, Sept. 15.

COCOA FERMENTING PLANTS—The Jamaican Government has approved spending by the Cocoa Marketing Board of £100 thousand to build two

plants for fermenting raw cocoa grown in this country. This money will be drawn from the reserve fund accumulated by the industry, which is under government control. Construction of the buildings and installation of the required equipment have been started and, when complete, the plants will be among the most up-to-date of their kind.

This enterprise, urged by leading growers, marks a change in production from "natural" to "fermented" raw cocoa. The Jamaican product has not been too popular in export markets and the change should improve sales. A drive is in progress to raise the local yearly output from about 3,000 tons to 15,000-20,000 tons—Kingston, Sept. 15.

Peru

STEEL—A Peruvian steel mill is nearing completion at Chimbote, 250 miles north of Lima. It will operate with power from a hydro-electric project 54 miles inland, using anthracite from the region and iron ore from southern Peru.

The sheet mill, the first unit of the new plant to go into operation, will use sheet bars from Belgium to produce annealed or cold sheet. By year's end, two Norwegian electric pig iron furnaces, each capable of producing 100 tons daily, will be functioning. The sheet-mill machines are German and the rolling mill equipment comes from France. When completed, the project will provide Peru with 60,000 tons a year of basic steel products. More refined and complex steel products will still have to be imported. The undertaking has been financed by the Peruvian Government and French private capital—Lima, Sept. 12.

South Africa

INDUSTRIAL DEVELOPMENT SLOWS—In the nine years from 1945 to 1954, the people of South Africa invested an amount equivalent to 25 per cent of the total national income for the period. This enormous investment, amounting to £2·75 billion, has been a strain on the economy. Regulations now in force have resulted in a decrease in the rate of development of new enterprises. During the first six months of this year 1,633 new companies were registered with a capital of £8 million; last year in the same period 2,019 companies with £17·6 million in capital were formed—Cape Town, Sept. 25.

INSTALMENT BUYING—In view of the credit squeeze aimed at curbing private spending in the Union, the instalment plan debt of the South African population is interesting. At the end of 1954 the total amount outstanding was £30·7 million, or £10.17.0d. per head of European population, according to the published findings of a two-year project by the Witwatersrand University. The report states that in 1954 the sale of durable goods, excluding commercial vehicles, was estimated at £113 million, of which 46 per cent was financed by instalment plans. The report emphasizes that the South African instalment debt compares favourably with that of the United States, which in the report is given at £35 per capita, and with that of Canada, £19.10.0d. per capita—Johannesburg, Sept. 18.

United States

ADVERTISING IMPORTS—Marshall Field and Company once again held a store-wide Import Fair from September 10th to 22nd. This leading Chicago department store's windows all displayed imported merchandise. Foreign flags decorated the building and employees decked themselves out in the colourful costumes of various countries.

A special feature was the opening on September 17th of a new import gift shop named "Fields Afar". It offers goods from 36 different countries (mainly home decorations and fashion accessories). The store removed three of its large first-floor display windows to permit shoppers a full view of the shop from the street—Chicago, Sept. 27.

Tours of Territory

H. W. RICHARDSON, Trade Commissioner in Guatemala City, will visit El Salvador from October 22-27, inclusive.

K. F. NOBLE, Canadian Trade Commissioner in Johannesburg, South Africa, intends to visit the Orange Free State (with calls at Bloemfontein, Welkom, Harmony, Virgina, and Odenaalsrust), in mid-November.

R. W. BLAKE, Commercial Secretary in Melbourne, Australia, is planning to visit Tasmania from December 10-19.

W. G. PYBUS, Commercial Secretary in Tokyo, will visit Korea from October 15-20.

Businessmen who would like these officers to undertake assignments for them in these areas should get in touch with them at their posts as soon as possible. Mr. Richardson can be reached at his office in Guatemala City, Mr. Noble at Johannesburg, Mr. Blake at Melbourne, and Mr. Pybus at Tokyo.

Foreign Commercial Representatives in Canada

ARGENTINA
Montreal—Consul General of Argentina, 1111 Beaver Hall Hill.

AUSTRALIA
Montreal—Australian Government Trade Commissioner, 1255 Phillips Square.
Vancouver—Australian Government Trade Commissioner, 643 Hornby Street.

AUSTRIA
Ottawa—Minister, Legation of Austria, 445 Wilbrod Street.
Toronto—Austrian Trade Delegate, Suite 106, 77 York Street.
Vancouver—Austrian Trade Delegate, Room 111, 525 Seymour Street.

BAHAMAS
Toronto—Trade Commissioner, Victory Bldg., 80 Richmond Street, West.

BELGIUM
Montreal—Consul General of Belgium, 709 Sun Life Bldg.

BOLIVIA
Montreal—Consul General of Bolivia, 5483 Earnscliffe Avenue.

BRAZIL
Montreal—Commercial Attaché, Brazilian Government Trade Bureau, Room 302, 400 St. James Street West.

BRITISH WEST INDIES, BRITISH GUIANA, AND BRITISH HONDURAS
Montreal—Trade Commissioner for British West Indies, British Guiana, and British Honduras, Suite 460, 1510 Drummond Street.

CHILE
Montreal—Consul General of Chile, Suite 131, 3445 Cote des Neiges Road.
Vancouver—Consul of Chile, 1575 West Sixth Avenue.

CHINA
Ottawa—Counsellor, Embassy of the Republic of China, 201 Wurtemberg Street.
Vancouver—Consul General of China, 510 Hastings Street West.

COLOMBIA
Ottawa—First Secretary and Consul, Suite 16, Roxborough Apartments.
Montreal—Consul General of Colombia, 1822 Sherbrooke Street West.
Toronto—Consul General of Colombia, 499 Oriole Parkway.
Vancouver—Consul of Colombia, 1575 West Sixth Avenue.

COSTA RICA
Montreal—Consul General of Costa Rica, 1465 Mackay Street, Apt. 4.

CUBA
Montreal—Consul General of Cuba, 1572 Summerhill Avenue.

CZECHOSLOVAKIA
Montreal—Commercial Section, Czechoslovak Consulate General, 1305 Pine Avenue West.

DENMARK
Ottawa—Royal Danish Embassy, 451 Daly Avenue.
Montreal—Consul, Royal Danish Consulate, Room 815, Keefer Bldg., 1440 St. Catherine Street West.
Toronto—Secretary (Commercial), Royal Danish Consulate, 114-118 Danforth Avenue.

DOMINICAN REPUBLIC
Ottawa—Consul General of the Dominican Republic, 20 Bower Street.
Montreal—Consul General of the Dominican Republic, Apt. 4, 3201 Forest Hill Avenue.

ECUADOR
Montreal—Consul General of Ecuador, 3575 Addington Avenue, N.D.G.

EGYPT
Ottawa—Commercial Secretary, Egyptian Embassy, Roxborough Apts., Apt. 39.

EL SALVADOR
Montreal—Consul General of El Salvador, 4972 Victoria Avenue.

FINLAND

Ottawa—Second Secretary, Legation of Finland, 140 Wellington Street.

FRANCE

Ottawa—Commercial Counsellor to the French Embassy, 464 Wilbrod Street.
Montreal—Commercial Counsellor of France, 610 St. James Street West.
Toronto—Commercial Counsellor of France, 185 Bay Street.

GERMANY

Ottawa—First Secretary (Commercial Affairs), Embassy of the Federal Republic of Germany, 580 Chapel Street.
Montreal—Consulate General of the Federal Republic of Germany, 1501 McGregor Street.
Toronto—Consulate of the Federal Republic of Germany, 77 York Street.
Vancouver—Consulate of the Federal Republic of Germany, National Trust Bldg., Room 303, 980 West Pender Street.
Winnipeg—Consulate of the Federal Republic of Germany, 424 Wellington Crescent.
Edmonton—Consulate of the Federal Republic of Germany, 11618 100th Avenue.

GREECE

Ottawa—Commercial Attaché (Honorary), Royal Greek Embassy, Suite 110, Chateau Laurier.

GUATEMALA

Montreal—Consul General of Guatemala, 3467 Wilson Avenue.

HAITI

Ottawa—Embassy of Haiti, 130 Sparks Street, Suite 6.
Ottawa—Consul General of Haiti, 649 Rideau Street, Apartment 5.
Montreal—Vice-Consul of Haiti, 1405 Bishop Street.
Halifax—Consul of Haiti, 50 Sackville Street.

HONDURAS

Montreal—Consul General, Consulate General for the Republic of Honduras, Suite 423, 1117 St. Catherine Street West.
Montreal—Consul of the Republic of Honduras, 439 Grosvenor Avenue, Westmount.

INDIA

Ottawa—Commercial Secretary, Office of the High Commissioner for India, 200 MacLaren Street.

INDONESIA

Ottawa—Commercial Counsellor, Indonesian Embassy, 275 MacLaren Street.

IRAQ

The Legation of Lebanon is in charge of Iraqi interests. See address below.

IRELAND

Montreal—Irish Trade Representative (Irish Export Promotion Board), 1015 Beaver Hall Hill.

ISRAEL

Montreal—Vice Consul of Israel (Commercial), 1555 McGregor Street.

ITALY

Ottawa—Commercial Attaché, Embassy of Italy, 136 Queen Street.
Toronto—Italian Trade Commissioner, Suite 403, 34 King Street East.

JAPAN

Ottawa—Second Secretary (Commercial), Embassy of Japan, Room 701, Metcalfe Bldg.
Toronto—Consulate of Japan, 180 University Avenue.
Vancouver—Consulate of Japan, 510 Hastings Street West.

LEBANON

Ottawa—Legation of Lebanon, 470 Wilbrod Street.

LUXEMBOURG

Montreal—Consul General of the Grand-Duchy of Luxembourg, 4832 Western Avenue.

MEXICO

Montreal—Consul General of Mexico, Room 513, Castle Bldg., 1410 Stanley Street.
Toronto—Consulate of Mexico, Room 309, 20 Carlton Street.
Vancouver—Consulate of Mexico, Room 509-510, 407 Granville Street.

MONACO

Montreal—Consul of Monaco, Room 35, 35 Notre Dame Street West.

NETHERLANDS

Ottawa—Commercial Counsellor, Embassy of the Netherlands, 12 Marlborough Avenue.
Montreal—Netherlands Consulate, 1103 Castle Bldg., 1410 Stanley Street.
Toronto—Netherlands Consulate, 159 Bay Street.
Vancouver—Netherlands Consulate, 475 Howe Street.

NEW ZEALAND

Montreal—New Zealand Trade Commissioner, Room 609, Sun Life Bldg.

NORWAY

Ottawa—Secretary, Norwegian Embassy, 140 Wellington Street.
Montreal—Vice-Consul of Norway, 1410 Stanley Street.

PAKISTAN

Ottawa—Commercial Attaché to the Pakistan High Commissioner, 505 Wilbrod Street.

PERU

Ottawa—Second Secretary, Embassy of Peru, 539 Island Park Drive.

PHILIPPINES

Vancouver—Trade Assistant, Philippines Consulate, 615 West Pender Street.

POLAND

Ottawa—Commercial Attaché of the Polish Legation, 10 Range Road.

PORTUGAL

Ottawa—Embassy of Portugal, 285 Harmer Avenue.
Montreal—Consul of Portugal, 4393 Esplanade Avenue.
Toronto—Consul of Portugal, 2 Toronto Street.

SPAIN

Ottawa—Commercial Attaché, Spanish Embassy, 149 Daly Avenue.

SWEDEN

Ottawa—Secretary, Royal Legation of Sweden, 720 Manor Road, Rockcliffe Park.
Montreal—Commercial Secretary, Royal Consulate General of Sweden, 1511 Bishop Street.

SWITZERLAND

Ottawa—First Secretary, Swiss Legation, 5 Marlborough Avenue.
Montreal—Consul General of Switzerland, 1572 McGregor Street.
Toronto—Consul of Switzerland, 600 University Avenue.
Vancouver—Consul of Switzerland, 402 West Pender Street.
Winnipeg—Consul of Switzerland, 210 Mitchell-Copp Bldg., 334 Portage Avenue.

THAILAND

Toronto—Consul of Thailand, 199 Bay Street.
Vancouver—Consul of Thailand, 5416 Marguerite Street.

TURKEY

Ottawa—Commercial Counsellor, Turkish Embassy, 197 Wurtemberg Street.

UNION OF SOUTH AFRICA

Ottawa—Commercial Secretary, Office of the High Commissioner for the Union of South Africa, 15 Sussex Drive.

UNION OF SOVIET SOCIALIST REPUBLICS

Ottawa—Commercial Counsellor, Embassy of the USSR, 24 Blackburn Avenue.

UNITED KINGDOM

Ottawa—United Kingdom Senior Trade Commissioner and Economic Adviser to the High Commissioner, 56 Sparks Street.
Edmonton—United Kingdom Trade Commissioner for Alberta, Imperial Bank Bldg., Jasper Avenue.
Halifax—United Kingdom Trade Commissioner for the Atlantic Provinces, 65 Spring Garden Road.
Montreal—United Kingdom Trade Commissioner for Quebec, 1111 Beaver Hall Hill.
Toronto—United Kingdom Trade Commissioner for Ontario, 119 Adelaide Street West.
Vancouver—United Kingdom Trade Commissioner for British Columbia, 540 Burrard Street.
Winnipeg—United Kingdom Trade Commissioner for Manitoba and Saskatchewan, 504 Main Street.

UNITED STATES

Ottawa—Commercial Attaché, Embassy of the United States, 100 Wellington Street.
Calgary—Consul of the United States, Toronto General Trusts Bldg.
Edmonton—Consul of the United States, 214 Empire Block.
Halifax—Consul General of the United States, Bank of Nova Scotia Bldg.
Montreal—Consul General of the United States, 1558 McGregor Street.
Niagara Falls—Consul of the United States, Newman Hill, Falls Street.
Quebec—Consul of the United States, 1 Ste. Genevieve Avenue.
Saint John—Consul of the United States, 204 Union Street.
St. John's—Consul General of the United States, King's Bridge Road.
Toronto—Consul General of the United States, 360 University Avenue.
Vancouver—Consul General of the United States, 355 Burrard Street.
Windsor—Consul of the United States, Canada Trust Bldg.
Winnipeg—Consul General of the United States, 402 Tribune Bldg.

URUGUAY

Ottawa—Chargé d'Affaires a.i., The Roxborough Apts., Apt. 66.

VENEZUELA

Ottawa—Commercial Attaché, Embassy of Venezuela, Roxborough Apts., Apt. 21.
Halifax—Consul, Room 401, Roy Bldg., Barrington Street.
Montreal—Consul General of Venezuela, 2052 St. Catherine Street West.
Vancouver—Vice Consul of Venezuela, 525 Seymour Street.

YUGOSLAVIA

Ottawa—Embassy of the Federal People's Republic of Yugoslavia, 17 Blackburn Avenue.
Toronto—Consul General of the FPR of Yugoslavia, 27 Montclair Avenue.

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1·02236.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent Sept. 27	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Official	·05434	1·840	(1)
		Free	·03160	31·65	
Austria	Schilling		·03762	26·58	
Australia	Pound		2·1778	·4591	
Belgium, Belgian Empire and Luxembourg	Franc		·01964	50·92	
Bolivia	Boliviano	Official	·005148	194·25	
British West Indies	Dollar		·5671	1·76	(2)
	Pound		2·722	·367	(3)
	Dollar	British Honduras	·6805	1·470	
Brazil	Cruzeiro	Effective selling*			
		*Category I	·01344	74·38	*Sept. 14
		Category II	·009617	103·98	(4)
		Category III	·005789	172·74	
		Official buying	·53106	18·83	(5)
Burma	Kyat		·2054	4·87	
Ceylon	Rupee		·2042	4·90	
Chile	Peso	Free	·001976	506·07	(15)
Colombia	Peso	Basic	·3913	2·55	(7)
		Free*	·2200	4·55	*Sept. 27
Costa Rica	Colon	Official	·1742	5·74	
		Controlled free	·1473	6·79	
Cuba	Peso		·9781	1·02	tax 2% (4)
Czechoslovakia	Koruna		·1358	7·36	
Denmark	Krone		·1416	7·06	
Dominican Republic	Peso		·9781	1·02	
Ecuador	Sucre	Official	·06521	15·34	
		Free	·05121	19·52	
Egypt	Pound	Official	2·8087	·356	(6)
El Salvador	Colon		·3913	2·55	
Fiji	Pound		2·4524	·4078	
Finland	Markka		·004253	235·12	
France, Monaco and North Africa	Franc		·002795	357·78	(8)
French Colonies in Africa	Franc		·005590	178·89	(9)
French Pacific	Franc		·01537	65·06	(10)
Germany	D Mark		·2334	4·284	
Greece	Drachma		·03260	30·67	
Guatemala	Quetzal		·9781	1·02	
Haiti	Gourde		·1956	5·11	
Honduras	Lempira		·4891	2·04	
Hong Kong	Dollar	Free*	·1582	6·32	*Sept. 14
		Official	·1701		
Iceland	Krona	Official	·06006	5·88	
		Special selling	·3509	28·50	(11)
India	Rupee		·2042	4·90	
Indonesia	Rupiah	Basic	·08613	11·61	(12)
Iran	Rial	Certificate	·01291	77·44	
Iraq	Dinar		2·7388	·3651	
Ireland	Pound		2·7222	·367	
Israel	Pound		·5434	1·84	
Italy	Lira		·001570	636·94	
Japan	Yen		·002717	368	

* Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent Sept. 27	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	·3049	3·28	
Mexico	Peso	....	·07825	12·78	
Netherlands	Florin	....	·2555	3·91	
Netherlands Antilles	Florin	....	·5148	1·94	
New Zealand	Pound	....	2·7222	·367	
Nicaragua	Cordoba	Effective buying	·1482	6·74	
		Official selling	·1388	7·20	
Norway	Krone	....	·1369	7·30	
Pakistan	Rupee	....	·2042	4·90	
Panama	Balboa	....	·9781	1·02	
Paraguay	Guarani	Official	·01630	7·30	(6) (13)
Peru	Sol	Certificate	·05148	19·43	
Philippines	Peso	....	·4891	2·04	
Portugal & Colonies	Escudo	....	·03414	29·34	(14)
Singapore & Malaya	Straits dollar	....	·3176	3·15	
Spain & Dependencies ...	Peseta	Basic buying	·04466	22·39	(6)
		Basic commercial selling	·5956	16·79	
		Free	·02511	39·82	
Sweden	Krona	....	·1891	5·29	
Switzerland	Franc	....	·2283	4·38	
Syria	Pound	Free*	·2762	3·62	*Aug. 15
Thailand	Baht	Free	·04750	21·05	(6)
Turkey	Lira	....	·3493	2·86	
Union of South Africa	Pound	....	2·7222	·367	
United Kingdom ..	Pound	....	2·7222	·367	
United States	Dollar	....	·978125	1·02236	
Uruguay	Peso	Free*	·2389	4·18	
		Basic buying	·6439	1·55	(6)
		Principal selling	·4651	2·15	(16)
Venezuela	Bolivar	....	·2920	3·42	
Yugoslavia	Dinar	....	·003260	306·74	(6)

* Latest available quotation date.

notes

1. Argentina: additional rates result from exchange retentions on export proceeds and surcharges on imports.
2. Barbados, Trinidad, Tobago, Leeward and Windward Islands, British Guiana.
3. Bahamas, Bermuda, Jamaica.
4. Tax of 10 per cent affects selling (import) rates only. Tax is based on official rate, and is therefore 1.88 cruzeiros per U.S. dollar.
5. Brazil: currency certificates auctioned for five import categories. Effective selling rate is official rate of 18.82 to U.S. dollar plus price of certificate. Exporters receive cruzeiros at official rate plus exchange premiums ranging from 18.70 to 48.64 cruzeiros per U.S. dollar, depending on product. Three rates shown cover bulk of transactions for auction.
6. Additional rates are in effect.
7. Colombia: stamp taxes of 3, 10, 30, 80 and 100 per cent on imports depending on essentiality. The free rate applies to minor exports and less essential imports.
8. Includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
9. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
10. New Caledonia, New Hebrides, Oceania.
11. Iceland: special selling rate applies to certain designated commodities.
12. Indonesia: basic rate applies to most exports and a few essential imports. Purchase of exchange for other imports is subject to surcharges of 50, 100, 200 or 400 per cent depending on products.
13. Official rate applies to exports and essential imports. For non-essential imports there is a surcharge of 25 Guaranis per U.S. dollar.
14. Portugal: approximately same rate for Portuguese Territories in Africa.
15. Chile: free rate applies to exports and to imports, except prohibited imports. Chilean importers must deposit local currency in amounts ranging from 5 to 200 per cent, depending on product, prior to shipment of goods.
16. Certain essential imports are subject to a fixed rate of 2.10 pesos per U.S. dollar, and no longer require import permits. Other imports are subject to the free rate, and are under quota. Exports are subject to a variety of rates according to the product. Exports will be divided into eleven categories for exchange rate purposes. Depending on the product, the export rates which will apply range from 100 per cent of the free rate to 100 per cent of the basic export rate of 1.519 pesos per U.S. dollar. Details may be obtained from the International Trade Relations Branch.

Canada in Foreign Markets

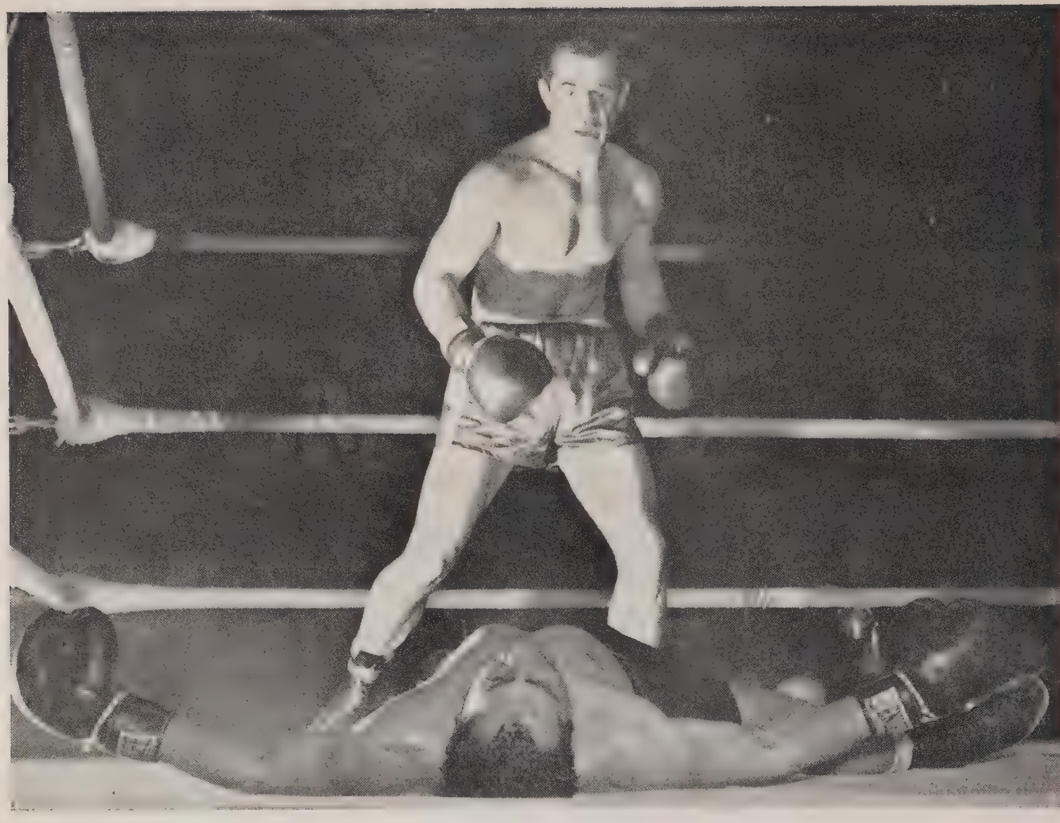
Canadian exporters are invited to contribute to this series photographs of their products in use or on sale in foreign markets. Photographs should be adequately captioned, protected for mailing, and addressed to: The Editor, "Foreign Trade".

In Hong Kong—Flour made from Canadian wheat is being bagged in this Hong Kong mill while the Chief Commissioner of the Canadian Wheat Board and a director of the mill look on.

In Germany—A Canadian agent and the Canadian Commercial Secretary in Bonn examine a special display of Canadian-made orlon clothing arranged to catch the German fair-goer's eye.

In Mexico—The roller bearings and grease boxes which help to give this diesel engine a smooth run were made in Canada. The engine is in service with the Mexican Pacific Railways.

In the United States—Canadian birch plywood is used more and more by the U.S. trailer industry. Here another shipment is unloaded at the California factory of a U.S. trailer maker.



Knockdown or Knockout?

Sure looks like a K.O., doesn't it. Well, as every fight fan knows, more than one boxer has got up off the floor and gone on to win. Indeed, the difference between a knockdown and a knockout punch can be the difference between a win and a loss—and that's where sound coaching comes in.

The same is true in exporting and, like boxers, Canadian exporters have experienced men in their corner. The Department of Trade and Commerce through its trained consultants can advise on what, where, when and how to sell abroad; its Trade Commissioners around the world keep in touch with local conditions and promote the sale of Canadian products; its fortnightly magazine *Foreign Trade* publishes up-to-the-minute reports on foreign markets and helpful "how-to" articles such as the current series on the techniques of exporting.

Montreal photographer David Bier took this award-winning photo in the Montreal Forum in 1951, seconds after Rocky Graziano put Johnny Greco on the canvas for the ten-count with a hard right to the chin.

If you're scoring knockdowns but not knockouts in foreign trading, perhaps you need to consult the men in your corner—the trade specialists of the Department of Trade and Commerce. They're there to help you win.

In exporting, as in boxing, it's the technique that counts

OCTOBER 27, 1956

foreign trade

CANADA

WHAT DENMARK BUYS ABROAD (page two)

ANADA

foreign trade

Established in 1904

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cover This young Danish workman is shaping a variable pitch propellor designed for an ocean-going vessel. High on the list of Danish imports come raw materials for industry, on which tariff rates are low; Canada shares in this market. For a study of Denmark's imports and their sources, please turn to page two.

WHAT DENMARK BUYS ABROAD

Impressive increase in Canadian sales has followed Danish liberalization of dollar imports during 1955. The following analysis of Denmark's purchases abroad points up main Canadian opportunities in this small but growing market.

I. V. MACDONALD,
Assistant Commercial Secretary, Stockholm.

THE DOLLAR LIBERALIZATION MEASURES passed in 1955 have given to the Danish market a new importance. Partly because of the relaxations, Canadian exporters (according to Danish figures)* increased their sales in Denmark by 71 per cent during the first five months of 1956, compared with the same period last year. This increase was achieved in spite of the fact that the Danes bought no Canadian wheat in 1955 but switched their purchases to the soft currency countries, which had an unusually large export surplus. In 1952, Canada sold about $2 million worth of wheat to Denmark.

The sharp increase in Danish imports has not benefited Canada only. Total imports have also been rising and in May reached a record monthly value of 937 million kroner. The increase covered almost all commodities but was especially strong in raw materials and semi-processed goods. Grain, fuel, machinery, and motor vehicles also stood out. During the period January-May 1956, total imports rose by more than 200 million kroner over the same period in 1955, despite labour difficulties and a transport strike.

The table below shows the principal countries and main commodities benefiting from Denmark's upsurge in trade.

SOURCES OF DANISH IMPORTS

	1954	*1955*	*1956 Jan.-May*
		(in 1,000 D. kr.)	
United Kingdom			
Total	2,157,225	2,077,168	844,073
Fuels and oils	745,216	910,074	364,250
Machinery, non-electrical	140,423	126,718	60,111
Transportation vehicles	157,298	100,719	52,382
West Germany			
Total	1,562,441	1,518,200	692,766
Fuels and oils	221,427	241,071	121,161
Transportation vehicles	265,635	200,608	95,083
Machinery, non-electrical	191,534	170,206	77,770
United States			
Total	395,674	637,392	354,138
Grain	3,050	71,551	70,463
Feedingstuffs	40,122	110,481	63,177
Fuels and oils	56,027	94,901	51,382
Sweden			
Total	743,948	721,996	284,066
Metals	77,663	112,767	41,353
Wood, lumber, cork	158,064	136,937	31,543
Paper, cardboard, etc.	74,485	83,789	32,571
The Netherlands			
Total	493,789	509,396	248,674
Fuels and oils	79,733	93,103	56,117
Metals	52,204	58,967	39,087
Yarn, piece goods, textiles	59,270	51,087	18,127

Agricultural products figure largely among Denmark's imports, although the volume depends largely on two

*Source: "Denmark's Trade with Foreign Countries" May 1955 and 1956 respectively, imports from Canada stated at D. kr. 7,293,000 and 12,469,000.

factors—the domestic harvest of similar or competitive crops, and Danish exports of higher-quality grain products such as malting barley, grain for seed, etc., which deplete total domestic supplies. These factors together result in a fluctuating demand and Canadian exporters must remain alert to opportunities in this field if they are to be fully exploited.

The net import surplus of cereals (grain, feedstuffs and seed), which averaged about 250 thousand tons per year from 1949-51, was replaced by an export surplus in 1952 and 1953. However, in 1954 the net import increased to almost 900 thousand tons and in 1955 imports exceeded exports by 600 thousand tons. Canadian agricultural exports to Denmark have followed this pattern:

EXPORT OF CANADIAN AGRICULTURAL PRODUCTS TO DENMARK

(in 1,000 kroner)

1949	*1951*	*1953*	*1954*	*1955*
1,797	23,791	27,604	6,582	7,317

The ban on grain imports put into force at the end of June 1955 temporarily retarded purchases. However, the restriction was removed on August 31 for wheat and on September 22 for rye. Main sources of supply for wheat were Argentina, France, Uruguay, and the United States; for rye, Argentina, the United States and Canada; and for wheat flour, West Germany and the United States, although Canada has also sold some flour there.

Imports of oilcakes and oilseeds have been rising over the past six years and in 1955 totalled 540 thousand tons, supplied chiefly by the United States, West Germany, Britain, and the U.S.S.R.

Tobacco and Foodstuffs

Sugar and coffee beans account for more than half of Denmark's imports of specialty foodstuffs. Imports of raw tobacco, divided chiefly among U.S., British and Dutch firms, decreased by about 15 per cent in volume during 1955. To date, the few attempts to sell Canadian flue-cured tobacco in the Danish market have not been successful, although raw tobacco is on the free list for import from the dollar area.

Opportunities for Canadian processed foodstuffs in Denmark are limited by the nature of Danish domestic production and by the current quantitative import restrictions. However, mild-cured and frozen salmon has found a steady though small sale and periodically shipments of skimmed milk powder have been made. Canadian firms have also sold small quantities of offals, sausage casings, whisky, and Pacific halibut. The fact that Denmark is herself a large exporter of fish products may help some types of Canadian fish exports to Denmark (especially salmon) because potential demand from "smokers" is correspondingly large. Dollar import restrictions impede expansion of fish exports from Canada although eels, haddock, whiting and coalfish are on the liberalized list.

Raw Materials Imported

Denmark buys large quantities of industrial raw materials, many of which are of interest to Canadian exporters. This group of imports as a whole has increased in volume by about 40 per cent since 1949, and for the most part enters duty-free or at very low rates. Denmark has a relatively low tariff, particularly on materials needed by its industry, and no country receives any tariff preference.

Principal raw and semi-finished industrial materials imported into Denmark are (roughly in order of importance): non-ferrous metals, wood and lumber, textile fibres, chemicals, crude fertilizers, pulp and waste paper, animal and vegetable oils and derivatives, and rubber. The year 1955 saw a setback in imports of nitrogen, phosphate, and potash fertilizers. All of these declined in 1955, largely because of lower farm incomes. Many of these commodities are supplied to Denmark under trade agreements with other countries, especially those products which have not been liberalized. Canadian raw and semi-processed materials sold to Denmark include copper, asbestos, nickel, aluminum, planks, nets, twine, hides, acids, synthetic resins, drugs and chemicals, printing paper, and cellulose products, all of which have been liberalized for import from dollar countries.

Consumer Goods Imports Rise

Excluding foodstuffs, the value of consumer goods imports has increased by over 200 per cent since 1949, more than any other group. However, in 1955 the two most important categories, finished textile goods and passenger cars, showed decreases. Textiles are imported chiefly from the EPU area and only wool, cotton, textile rags and waste, and vegetable fibres have been liberalized for import from dollar countries. The number of passenger cars imported fell from 39,000 in 1954 to 30,000 in 1955—the 1954 figure reflecting in part the relaxation of import restrictions on automombiles from European countries.

Solid and Liquid Fuels

Denmark's vital power requirements for energy and heat, coupled with a dearth of natural resources, mean that large quantities of both solid and liquid fuels have to be imported. Consumption of solid fuel (mostly coal and coke) by industrial users has risen substantially since 1949 and imports of fuel oil have risen even faster—to 2·4 million tons in 1955, three times the 1949 figure. The relative gain of liquid fuels can be explained partly by the fact that average prices for

oil and gasoline have risen less quickly than those for solid fuels. The chief source of coal is the United Kingdom, followed by the United States and, to a lesser extent, Poland and West Germany. The latter also supplies more than half of Denmark's imports of coke. About 90 per cent of the petroleum is imported from the U.K. and comes originally from the Middle East.

Import Licensing Procedure

Many Canadian products with sales possibilities in Denmark can be admitted under the present regulations only through a dollar import licence and, unless the product can be shown to be "essential", such licences are often difficult to obtain. On the other hand, successive groups of commodities have been placed on the free list for dollar imports. Typical of the dollar-liberalized products are: oilcakes and oilseeds, most chemicals, paper, wood, non-ferrous metals, cellulose derivatives, tools, ball bearings, medical instruments including electrical, agricultural machinery and tractors, and office machinery. For some non-liberalized dollar imports the required licences are issued freely upon application. (For a more complete explanation of Danish import licensing and how it affects Canadian goods, see the June 23, 1956, issue of *Foreign Trade,* page 9, and the table on page 35 of the same issue.)

Imports from Dollar Area

The liberalization measures of 1955 have contributed to the current promising increase in imports from Canada and the other dollar countries. Dollar imports into Denmark rose to 402 million D.kr. in the first five months of 1956, compared with 250 million D.kr. in the first five months of 1955—Canada's share was D.kr. 12·5 million and 7·3 million, respectively. Although Canadian exports to Denmark have been limited to a relatively small range of commodities, new sales opportunities are being discovered each year and it will pay Canadian exporters to watch carefully developments in this small but growing market.

Japan Sets Foreign Exchange Budget

Big boost in foreign exchange budget for second half of fiscal year to $1,915 million for commodity imports reflects Japanese confidence in continuing rapid growth of national economy. Automatic approval system expanded.

J. L. MUTTER, *Commercial Counsellor, Tokyo.*

JAPAN'S FOREIGN EXCHANGE BUDGET for the second half of the fiscal year 1956, which was announced this week, totals $2,341,094,000. Of this, $1,915 million is for merchandise imports (about $150 million more than in the first half) and $426 million for invisible imports ($80 million more than in the first half). This brings to $4,450 million the total foreign currency budget for the entire fiscal year 1956 and represents an increase over the 1955 budget of $1,050 million. The total budget for the import of goods only for the entire year is the largest since the war.

The new budget is designed to ensure sufficient supplies of materials necessary for the stepping-up of industrial production, and to stabilize prices, especially in steel, non-ferrous metal and rayon yarn production, where they are rising rapidly. To permit the purchase of foreign goods on a more economical basis, the scale of the "global" system—which covered some 60 per cent of the budget for the first half of the year—has been expanded to cover about 80 per cent. Imports from countries which are restricting imports from Japan (for example, by invoking Article 35 of the General Agreement on Tariffs and Trade) are to be carefully watched. The liberalization of trade is advanced a further step by the expansion of the Automatic Approval import system by $38 million to $390 million. New items added to the Automatic

Approval list include vanadium, molybdenum, manganese, ferro-manganese, pine resin, cotton linters and citrus fruits.

Raw Materials and Foodstuffs

Estimated quantities of the more important commodities to be imported are indicated below:

Rice	450,000 tons
Wheat	1,040,000 "
Barley	516,000 "
Sugar	600,000 "
Soya-beans	419,000 "
Beef tallow	65,000 "
Raw cotton	1,290,000 bales
Raw wool	400,000 "
Coal	2,025,000 tons
Iron ore (excludes imports under Automatic Approval)	450,000 "
Scrap iron	576,000 "
Pig iron	150,000 "
Crude oil	41,960,000 bbls.

No details of the amounts for various classes of goods to be secured from the dollar countries, sterling area and open account countries have been published. However, the statement which follows compares the import budget for the second half of 1956 with the first half, and shows the entire budget for 1956:

Import Budget, Fiscal Year 1956

Item	*2nd half 1956*	*1st half 1956 (In $1,000)*	*Whole Year*
Foods	241,227	242,858	484,085
State monopoly goods (salt and tobacco)	10,209	12,333	22,542
Lumber	12,360	13,789	26,149
Raw materials for daily necessities (hides, skins, fats, resins)	22,580	30,127	52,707
Textile raw materials	311,073	348,802	659,875
Fertilizer and raw materials therefor	41,045	24,194	65,239
Coal	57,297	43,998	101,295
Iron-steel raw materials (coal excluded)	159,810	264,968	424,778
Non-ferrous metals and ores	75,700	58,858	134,558
Petroleum	100,760	95,679	196,439
Chemicals and chemical materials	9,455	5,307	14,762
Medicines and agricultural chemicals	2,663	2,927	5,590
Machinery and metal goods	146,000	145,000	291,000
Raw materials for processing	39,000	35,000	74,000
Barter imports	13,500	15,000	28,500
Goods delivered to U.S. Army	5,000	5,000	10,000
Re-export goods	1,000	1,800	2,800
Miscellaneous	66,321	68,042	134,363
Automatic approval imports	390,000	352,050	742,050
Reserves	210,000	....	210,000
Totals	1,915,000	1,765,732	4,680,732

Selling to the Greek Farmer

SEVERAL IMPORTANT DEVELOPMENTS in Greek agriculture should be of interest to Canadian exporters because they open up sales possibilities. One is the increasing use of mechanical farm equipment, particularly in the northern section of the country, including Thessaly and Macedonia. There the fertile soil and the open plains lend themselves to the use of harvester combines, tractors and other farm equipment. In spite of a substantial increase in the number of tractors since 1939, there is still a dearth of equipment to work the three million acres of arable land. The present mechanical farm equipment in Greece is made up of the following units, with comparison for 1938-40.

	1955	*1938-40*
Pumping units	35,000	6,800
Tractors	9,000	1,500
Threshing machines	1,850	1,070
Combines	850	42

Some Canadian firms are cultivating this market; 28 Canadian-made harvester combines reached Greece in 1955, and there are possibilities for further expansion of farm equipment sales.

The second opportunity that presents itself to the Canadian businessman is the possibility of sharing in Greece's proposed irrigation program. Reclamation, irrigation and soil conservation projects have since 1939 increased the area under cultivation by 11 per cent and expanded the irrigated area by 20 per cent. Major projects now under construction will, over the next few years, add another 100 thousand acres of irrigated land.

In an effort to counteract poor soil conditions in a country three-quarters of which is mountainous and where erosion is a problem, large quantities of nitrogenous fertilizers find a ready market in Greece. Each year about $17 million worth of ammonium nitrate (33·50 per cent N), ammonium sulphate, ammonium sulphate nitrate, calcium nitrate and calcium ammonium nitrate are imported. In recent years these products have been largely obtained from Hungary, Austria, West and East Germany, mainly because of extremely low prices. Only one Canadian supplier had a share in this business last year, though there is an opportunity for greater Canadian participation in this market. The Athens office will be glad to advise any Canadian companies interested in making sales.

—A. B. BRODIE,
Commercial Secretary, Athens.

Lebanon's Orchards Earn Foreign Exchange

Without mineral or oil resources and with 1·4 million out of 2·5 million acres rocky or wasteland, Lebanon relies upon fruit crops to bring in foreign exchange. With improvement in growing methods, exports of oranges, apples, lemons and bananas are rising.

G. F. G. HUGHES, *Commercial Secretary, Beirut.*

LEBANON'S FRUIT INDUSTRY, despite some setbacks, has made real progress in the past ten years. This progress should continue because the application of scientific methods of fruit culture, the outstanding increase in refrigerated storage capacity, and the rapid expansion of air freight services to the surrounding area have provided a solid foundation on which the industry can continue to build.

The mountains of Lebanon have long since lost their importance as the source of the famous cedar renowned in Biblical times. Yet they give this small country an advantage over its neighbours because they mean variations of climate which allow for the culture of all kinds of fruit—from bananas and citrus on the coastal strip to apples and cherries on the hilltops. And, because Lebanon has few minerals, is not an oil producer, and cannot even supply its own cereal needs, it has to turn to more specialized forms of agriculture (such as fruit growing) which give a higher return.

Transportation Improves Sales

Transport facilities to move fruit to export markets have improved rapidly in recent years. Through the port of Beirut apples are shipped to Egypt and Saudi Arabia, citrus fruit to Czechoslovakia, the Balkans and the U.S.S.R., and bananas to Egypt and other countries bordering on the Mediterranean. But it is air transport that has been the outstanding advance in the last few years, although the volume moving by air is still much smaller than by sea. Four-engined transport planes operated mainly by local airlines now leave Beirut International Airport daily for Kuwait, Dhahran, Bahrein and other centres of the Persian Gulf with their cargoes of Lebanese fruit and vegetables. Air transport has stimulated the establishment of fruit and vegetable grading and packaging plants to which cash crops are brought for sizing, cleaning, and packaging in modern containers. Vegetables and fruit, pre-packed in polythene bags and ready for the retail market in the country of destination, represent a departure in packing methods unheard-of in this part of the world as little as three years ago. Ten years back, there were barely over 100 thousand cases of refrigerated storage capacity in the whole of Lebanon and that was used mainly to store imported perishables. At present there are 44 cold stores with a combined capacity of over 2½ million cases.

Fruit Exports Important

As a group, fruit is one of the most important of Lebanon's exports. These fruits in order of their foreign exchange earnings are oranges, apples, lemons and bananas; in 1955 they accounted together for about 90 per cent of the total fruit and nut exports. The remaining 10 per cent was accounted for by dates, figs, grapes, quince, pears, apricots, peaches, cherries, medlars, melons, strawberries, almonds, hazelnuts, chestnuts, and pistachios.

Expansion of this industry has not been without problems. One is high prices which, although they acted as a spur to the rapid expansion of orchards (particularly apples) after 1954, affected the price of land

Lebanon's Fruit Trade

	Total Fruit Exports		*ORANGES*		*LEMONS*		*APPLES*		*BANANAS*	
	Tons	*L£x1,000*	*Tons*	*L£x1,000*	*Tons*	*L£x1,000*	*Tons*	*L£x1,000*	*Tons*	*L£x1,000*
1951	56,358	14,031	34,774	5,601	8,178	1,821	6,171	4,301	3,637	1,142
1953	52,124	14,089	24,603	4,255	6,975	2,042	7,898	3,978	5,203	1,739
1955	70,642	19,781	33,384	6,677	9,924	2,960	11,987	5,665	9,894	2,660

Many Lebanese orchards like this one are planted on carefully tended terraces. Wide variations in climate in this small country make possible the culture of various types of fruit.

which, in turn, raised production costs. As a consequence the apple has remained a luxury fruit and in the last two years considerable quantities have not been sold. Future expansion into what is a very large potential market for fruit in the Middle East will depend on the ability of Lebanese fruit growers and exporters to reduce their costs and their export prices. Much has already been done to improve the fruit industry and the Lebanese government authorities, aided by various foreign advisory organizations, are tackling the remaining problems, such as combatting of plant diseases, educating the grower to use fertilizers and insecticides, selecting the most profitable varieties of fruit, and many questions of picking, inland transport, grading and packing and export shipping.

Here are data on the main fruit crops.

Apples

• *Production*—Output has increased spectacularly in past ten years and the number of trees today ranges between 2½ and 3 million. About 55 per cent are bearing, some only in the past year or two. Terraced orchards are still being constructed and planted, and steady volume of output will not be achieved for five years. Two-year-old Syndicate of Apple Orchard Owners is studying technical aspects of apple culture and also packing, storage and marketing. It is collecting accurate statistics and conducting research on most suitable areas and altitudes for apple growing.

• *Varieties*—The first foreign apple planted in Lebanon was the Reine de Canada. Though it is a good producer, it has largely been replaced by the Yellow or Golden Delicious or the Starking, which will grow successfully at lower altitudes. Popular winter varieties include Jonathan, Winesap, and Winter Banana. Effort is now being made to introduce early summer varieties to meet demands of the summer tourist trade. The French Sans Pareil is being cultivated; Kansas Queen and Early Delicious are being studied for future planting.

• *Exports*—In 1955, exports reached 12,000 tons, compared with only about 6,000 in 1951. Egypt continues to be the best market, taking between L£2 million and L£3 million each year. Next best customers in 1955 were Saudi Arabia and Iraq—over L£800 thousand worth each. Syria and Jordan each made purchases of some L£500 thousand.

Citrus Fruits

• *Production*—Output includes oranges, lemons, tangerines, and grapefruit, which are grown in the narrow coastal fringe bordering the Mediterranean.. About 120 thousand tons of citrus are produced each year. Quality and flavour are excellent but much remains to be done to eradicate disease and improve selection, grading and packing. Prices tend to be high.

• *Exports*—Oranges and lemons are most in demand; exports totalled L£9·6 million in 1955. Syria continues to be most important market for oranges, but Czechoslovakia is taking increasing proportion of the crop. Last year the USSR for the first time bought Lebanese oranges worth L£1·5 million and lemons worth L£660 thousand. Large quantities have been disposed of in eastern European countries with which Lebanon has bilateral trade agreements, because these include provision for fixed commodity quotas at high prices.

Bananas

• *Production*—The banana plantations are confined to the coastal strip and about 2,000 acres are cultivated. Production has risen from 15,400 tons in 1952 to 17,000 in 1955.

• *Exports*—Sales abroad have gone up steadily—from 4,900 tons in 1952 to 9,900 in 1955. Chief customers last year were Syria (4,900 tons), Iraq (2,100), Cyprus (703) and Kuwait (629). An irrigation project in south Lebanon is expected to make 11,000 acres fertile and increase banana production.

Grapes

• *Production*—Grapes are widely used by the Lebanese as a food and as the raw material for local wines and liquor. The crop averaged about 80,000 tons between 1952 and 1955.

• *Exports*—Exports are usually small—only 44 tons in 1952 and 81 in 1955.●

Portugal Plans Steel Industry

Long-projected iron and steel industry for Portugal moving towards reality, with stage one to be completed by 1958. Eventual steel production is set at 300 thousand tons, enough to meet domestic demand, except for special steels.

RICHARD GREW, *Commercial Counsellor, Lisbon.*

THE DEVELOPMENT OF AN IRON AND STEEL INDUSTRY in Portugal has made little progress up to the present. However, Portuguese plants do manufacture such articles as files, rasps, tools, drills and bits, sufficient to meet the domestic demand. Gradually export markets for these are being developed.

The demand in Portugal for iron and steel products—particularly for the housing and public works program, hydro-electric developments, shipbuilding, and for passenger coaches and freight cars for the railways of Portugal and the Overseas Provinces—has grown enormously. Basic steel materials for all these have had to be imported.

However, the Six Year Development Plan formulated in 1952 and put into execution in the following year gave an important place to the establishment of an iron and steel industry, although this project has remained more or less in the planning stage until recently. It has now been decided to grant the necessary authority to carry it out in accord with the studies already made. The plan will go forward by stages until its completion in 1964.

First Stage Planned

The first stage includes the establishment of a cold rolling and tinplating mill with a capacity of 20,000 tons of tinplate per year. This has already involved an investment of $4 million. It is expected that production will begin before the end of the current year because construction was already under way before the overall plan was finally approved. At the beginning, it will be necessary to use imported steel. The tinplate that is produced will go almost entirely to the canning industry, the most important section of which is the canning of sardines and tuna fish.

Another project is the establishment of a blast furnace with an annual capacity of 30,000 tons of pig iron, to be located close to the most important iron ore mine in Portugal. An initial investment of $2 million will be required.

A third development will be the building of electric furnaces and of a mill to produce 80,000 tons a year of rolled and structural steel. The investment for this is expected to approximate $22 million.

It is intended to complete all these units by 1958 and to locate them in the north of Portugal where raw materials, hydro-electric power and labour are apparently sufficient to meet all requirements.

Second Stage to Follow

The second stage of the plan includes a mill, also in the north, with an anticipated annual production of 70,000 tons of steel using the Krupp-Renn method, which is considered the most suitable although it presents certain technical difficulties. However, it has the advantage of using the raw materials in the area. Production is expected to begin in 1961.

Another steel mill with blast furnaces with an annual capacity of 150 thousand tons is planned for the south of Portugal, either near the River Tagus or Sado, and its completion is expected in 1964. The decision to erect one of the steel mills in the south was taken because it will be close to the principal consuming centres and to good ports. In addition, some raw materials such as pyrites and manganese are available nearby. The cost of the two sections of the second stage is estimated to total $68 million.

Upon completion of the entire project, it is estimated that a total of 1·3 million tons of domestic raw materials will be consumed annually, excluding 150 thousand tons of coal. Electric consumption is expected to reach 400 million kwh.

Until the final stage of construction is reached, it is expected that outside financial assistance will not be needed. Private Portuguese capital, including social organizations, will provide most of the funds although the Government may contribute up to 30 per cent of the necessary capital. For many years government funds have been invested in large private enterprises,

partly to give confidence to private investors and also to maintain some control over them.

Will Save Foreign Exchange

Although the establishment of an iron and steel industry in a country such as Portugal may appear to be somewhat ambitious, nevertheless there are many factors to justify it. In the past, Portugal has been almost entirely dependent on imports of iron and steel. These have had an average annual value of close to $60 million and constituted between 13 and 35 per cent of the total value of imports. Furthermore, much of the raw material the industry needs is available within the country, such as ore with a high iron content, pyrites, coal and limestone. In addition, it is expected that by 1958 there will be a 200 million kwh. surplus of electricity and a further 200 million kwh. will be available by 1961.

Because Portugal has always had an unfavourable balance of trade, the savings in foreign exchange once the industry is in operation should assist materially in equalizing the value of imports and exports. The hope is that many new industries mainly dependent on iron and steel will be attracted and will turn out products that are now imported. The project should also help the unemployment problem.

Upon completion of the plan, production of steel from the three mills is expected to total 300 thousand tons. This should meet the entire domestic demand for the types of steel which the new industry will turn out.

France Experiences Newsprint Shortage

Rise in newspaper circulation and appearance of new daily has created newsprint supply problem. With domestic mills able to produce only 275 thousand tons a year, French will probably be buying more pulp and newsprint from North American sources.

A. L. NEAL, *Attaché, Office of the Commercial Secretary, Paris.*

THE RAPID GROWTH IN NEWSPRINT CONSUMPTION in France has created a difficult situation both for producers and consumers.

To begin with, back in June 1955 a program was worked out, forecasting 1956 newsprint consumption at 440 thousand tons compared with 398,500 in 1955. About 150 thousand tons of this were to come from foreign sources and the remaining 290 thousand from French domestic production.

French output, however, lagged behind and the target figure had to be cut first to 280 thousand and later to 275 thousand tons. By January of 1956, the import program was raised to 165 thousand tons but deliveries proved slow. And in the meantime, consumer requirements began to mount.

The appearance of a new evening tabloid, *Temps de Paris,* raised needs to 480 thousand tons, and other newspapers increased their circulation. *France-Soir,* for example, printed 1½ million copies a day in April and, at the time of Prince Rainier's marriage in Monaco, circulation went up to 2,180,000. Other Paris papers experienced comparable increases. Moreover, increasing use of dailies for department store advertising has further boosted newsprint consumption.

Supply Problem Considered

The situation created a double problem: first, of finding remedies for the emergency and second, of taking into account these clear indications of a long-term growth in consumption.

At the beginning of June 1956, it became necessary to restrict the distribution of paper to the various journals. This was done by limiting the number of pages to be printed. Dailies were restricted to not

more than 16 pages in June, 14 pages in July, and not more than eight pages in August. In addition, French mills were encouraged to step up production —mainly through a reconversion to newsprint of manufacturing facilities devoted to production of other types of papers. These measures were supplemented by increased imports.

It is now expected that French consumption will increase for several years to come. Consumption figures for the years 1953 to 1955 inclusive, with estimates until the year 1961, were published recently by the French paper *Express Documents*. These figures are:

1953	304,000	metric	tons
1954	345,000	"	"
1955	398,500	"	"
1956	465,000	"	"
1957	520,000	"	"
1958	560,000	"	"
1959	595,000	"	"
1960	630,000	"	"
1961	668,000	"	"

Domestic Production Difficulties

It remains to be seen how these increased needs will be met. French production is hampered by the high cost of domestic pulp and the scarcity of raw materials. The prices of Scandinavian pulps are said to run from 25 to 40 per cent below that of French pulps. In the French market this difference is minimized to some extent by an equalization scheme whereby import taxes are used to subsidize domestic production. Even so, the cost of French pulps remains high.

Moreover, the possibility of pulping from domestic softwood species has reached its peak. Experiments have been made in the use of hardwood and straw but neither has yet made significant progress and the outlook is not clear. Nevertheless, import licences have been granted to cover the purchase from North America of two papermaking machines with an annual capacity of 80,000 tons each. Because of the tendency in certain French mills to reduce newsprint production, it is feared that the output of these new machines will not result in a very substantial increase in the present 275-thousand-ton annual output.

It seems reasonable to forecast that France will have to import increased quantities of pulp and newsprint in the years to come. It is doubtful whether substantial additional supplies can be obtained from Scandinavia and the newspapers will insist that the Government take measures to assure them a guaranteed supply. It seems likely that this will involve, in part at least, imports from North America and an undertaking by the French Government to provide the exchange needed to conclude normal long-term contracts.●

Venezuela Attracts New Industries

ALTHOUGH MANY OF THE 165 NEW INDUSTRIES established in Venezuela last year are of modest size, nevertheless the figure does give an indication of the rapid industrial expansion in this country. The Government's policy of assisting industry by allowing the duty-free import of certain equipment and of primary materials has greatly accelerated this trend to industrialization. In 1955 primary materials imported free of duty for all purposes were valued at more than \$39·4 million, compared with \$23·9 million in 1954. Foreign investment played an important role in the industrial development of Venezuela last year.

During the past year or two, well-known United States rubber manufacturers have established three new plants. General Motors has just purchased property in the favoured Valencia area with the announced intention of constructing a new factory. G.M. also has a plant in a suburb of Caracas which has been operating for several years. Autolite has lately set up a plant to manufacture 300 batteries a day.

Despite the difficulties of competition and slack demand which the textile industry has experienced, it is planning to expand. Sudamtex (United Merchants and Manufacturers of New York), which makes rayon piece goods, is reported to have purchased new machinery and equipment for making nylon yarn, which will double its Venezuelan output. McGregor Sports Wear is to open a factory in Caracas during the year and an Italian firm, Giuseppe Scachi, plans to establish a subsidiary to make silk yarn.

The glass industry in Venezuela is at present limited to one factory which produces bottles. A new firm, Industria Venezolana de Vidrios Planos, C.A., has announced the purchase of Belgian machinery (costing some \$750 thousand) for a new plant at La Victoria which is about halfway between Caracas and Valencia. The new factory will manufacture plate glass, a product which hitherto has been entirely imported.

A factory to produce a synthetic leather is to be opened soon by C.A. Industria Nacional Suela Artificial. It will have a capacity of 30 tons a month and the necessary machinery is being bought from Germany. Venezuela's first modern flour mill, backed by Italian capital, is to open in the near future.

Figures of capital investment during 1955 are not yet available but the total industrial investment in the Federal District of Caracas totalled \$109 million in 1954 compared with \$44·9 million in 1953.

—H. LESLIE BROWN,*
Commercial Counsellor, Caracas.

* Now Commercial Counsellor, London.

fairs and exhibitions

Canadian Shoes Go to Chicago

A GROUP OF CANADIAN SHOE MANUFACTURERS have taken the best of their products to Chicago to display them in the National Shoe Fair which opens tomorrow and runs to November 1st. This U.S. shoe fair is said to be the biggest of its kind in the world. It attracts, on the average, about 1,000 exhibitors and occupies several floors in each of five large Chicago hotels. The 17 Canadian firms taking advantage of this opportunity to show their shoes and boots to U.S. buyers are:

Canada West Shoe Manufacturing Company Ltd., Winnipeg.

C. & J. Clark Company Ltd., Toronto.

Del Grande Shoe Company Ltd., Montreal.

Denny-Stewart Ltd., Montreal.

Eagle Shoe Company Ltd., Montreal.

George C. Williams Ltd., Toronto.

Johnny Brown Theatrical Shoe Manufacturing Company, Montreal.

Ludger Duchaine Inc., Quebec City.

MacFarlane-Lefievre Ltd., Montreal.

Miner Rubber Company, Granby.

Pedulla & Agostino Ltd., Montreal.

Slater Shoe Company (Canada) Ltd., Montreal.

Tarsil Ease Shoe Company Ltd., Montreal.

The Hart Boot and Shoe Company Ltd., Fredericton.

The John Ritchie Company Ltd., Quebec City.

Tyrol Shoe Company Ltd., Montreal.

Wallace Footwear Ltd., Montreal.

Hong Kong Displays Its Products

THE CHINESE MANUFACTURERS' UNION will hold its 14th Exhibition of Hong Kong Products from November 29, 1956, to January 3, 1957, in the Central Reclamation Centre, Hong Kong. Planned to illustrate Hong Kong's industrial progress and potential, to develop its export trade, and to promote trade generally, the exhibition added last year a special International Industrial Machinery Display. The machinery display will be held again this year and invitations have been sent to manufacturers in different countries.

Stalls for exhibitors of Hong Kong manufactured products will measure 60 square feet of floor space, with steel framework provided. For the international industrial machinery display the stalls will each occupy 100 square feet, without steel framework. Rental for each stall is HK$500. For full details, write to the Secretary, The Chinese Manufacturers' Union, 64-65 Connaught Road, Central, Hong Kong.

It Takes More than String and Brown Paper

. . . AND EXHIBITORS at the Packaging Exhibition in London will be prepared to demonstrate just what it does take to provide a plant with the best in modern packaging methods. Over 200 exhibitors have already booked more than 100,000 square feet of stand space at Olympia, where the Exhibition will be held from January 22 to February 1, 1957. The progress in automation, mechanization and functional packaging design which the exhibits will illustrate

Some of the ecclesiastical vestments and church furnishings which were on exhibition in the Canadian Showroom at Rockefeller Centre from the middle of September to the middle of October. Three Canadian firms participated.

should suggest to visiting manufacturers methods of expanding their sales and stabilizing costs. Provincial Exhibitions Ltd., organizers of the Packaging Exhibition, will be pleased to send full details and admission tickets to overseas visitors.

Trade Fair in Japan

JAPAN'S 1957 INTERNATIONAL TRADE FAIR will be held in Tokyo, May 5-19, in the Harumi Pier Grounds and the Otemachi Grounds which provide a total exhibit space of 429 thousand square feet. The 1,650 booths in the two areas will each measure ten by ten feet and will cost US$250 indoors and US$89 outdoors. Final date for space applications is November 30, 1956. Exhibitors should apply to the Tokyo International Trade Fair Commission, % Economic Bureau, Tokyo Metropolitan Government, 1, 3-chome, Marunouchi, Chiyoda-ku, Tokyo, C.P.O. Box 1201. Admission cards for business visitors can be obtained from this address, or from the Embassy of Japan, Room 701, Metcalfe Building, 83 Metcalfe Street, Ottawa.

Exhibits at the Japanese Trade Fair will be classified in the following groups: textiles and textile products; machinery and tools (including parts and accessories); metals and metal products, chemicals; food, agricultural and marine products; miscellaneous household, recreational and luxury goods and stationery, office supplies, etc.; sightseeing and advertising, and exhibits by foreign government agencies, public entities and similar organizations.

In the Showroom—Taste-Tempters

FOODS THAT ARE STAYING and foods that are tempting—something for every meal in the day and snacks between—are now on display in the Canadian Showroom in Rockefeller Center, New York. The show opened on October 24th and runs to November 23rd.

Twenty-two Canadian manufacturers have co-operated to bring this variety of foods and beverages to the New York buyers' doorstep. There are basics—such as soups, canned vegetables, macaroni and spaghetti, canned and dehydrated fruits, tea and coffee—and there are extras—cocktail mixes, liqueur syrups, pickles and sauces, juices and nectars, and dietetic foods. For the sweet tooth, the display has maple products, biscuits, jams, jellies, marmalades, cookie mixes, pie and cake fillers, chocolate products and confections—and the small fry's delight, popcorn and gum.

Canadian firms taking part in this latest Showroom display are:

B.C. Fruit Processors Ltd., Kelowna, B.C.

Campbell Soup Co. Ltd., New Toronto, Ont.

Canada Packers Ltd., Toronto, Ont.

Canadian Canners Ltd., Hamilton, Ont.

Catelli Food Products Ltd., Montreal, Que.

Dare Co. Ltd., Kitchener, Ont.

David & Frére Ltée., Montreal, Que.

Davidson's Pure Food Products Ltd., Montreal, Que.

E. D. Smith & Sons Ltd., Winona, Ont.

Graham Food Produce Ltd., Belleville, Ont.

H. J. Heinz Co. of Canada Ltd., Leamington, Ont.

Les Producteurs de Sucre d'Erable de Quebec, Levis, Que.

McLarens Ltd., Hamilton, Ont.

M. W. Graves & Co. Ltd., Berwick, N.S.

O-Pee-Chee Co. Ltd., London, Ont.

Peak, Frean (Canada) Ltd., Toronto, Ont.

Rose & Laflamme Ltd., Montreal, Que.

St. Lawrence Sea Products Co., Quebec City, Que.

T. H. Estabrooks Co. Ltd., Montreal, Que.

United Maple Products Ltd., Granby, Que.

Van Kirk Chocolate Corp. Ltd., Toronto, Ont.

Windsor Wafers Ltd., Hamilton, Ont.

Trade Fair in Brazil

BRAZIL IS PLANNING an international trade fair which will open in October 1957. Space rates, application forms and other details are available from the Brazilian Government Trade Bureau, 400 St. James Street West, Montreal. The registration fee has been set at Cr.$1,000 (free exchange value—Cr.$80.00 equals US$1.00).

Agricultural Show in Verona

CANADIANS ARE INVITED to exhibit at the 59th International Fair of Agriculture and Horses in Verona, Italy, March 11-19, 1957. The Verona Fair is the main agricultural fair in Italy and is generally considered the most important in Europe for cattle and horses. Agricultural machinery will also be displayed. For information: Commercial Attaché, Embassy of Italy, 136 Queen Street, Ottawa. ●

Electrical Appliances for British Households

Wide variety of electrical equipment produced since the war has made life easier for the British housewife, despite virtual cutting-off of North American imports. This sketch of progress made by British manufacturers in this field should interest their Canadian counterparts.

J. L. MURPHY,
Office of the Commercial Counsellor, London.

THE HOUSEHOLD ELECTRICAL APPLIANCE INDUSTRY in the United Kingdom has made tremendous strides since the war ended. Its output today has reached a value of £100 million a year—about seven times the prewar figure. Total output of electric washing machines, for example, is approaching a million a year, electric vacuum cleaners about 1,270,000 and electric stoves about 350 thousand.

This rising domestic production has been accompanied by a drastic fall in electrical appliance imports from the United States and Canada. In fact, these imports are today only a fraction of the prewar figure. The North American countries were then the main suppliers, with Germany, Sweden, Switzerland and Japan holding a smaller share of the market.

Today, all imports from dollar countries are subject to licence from the Board of Trade, and the criteria used in granting these licences include essentiality and the lack of suitable British alternatives. The result is the virtual exclusion of imported electrical appliances. There is, however, a Token Import Scheme, under which quotas are granted for certain goods up to 30 per cent by value of the average annual exports of the goods to the U.K. in 1936-38. The list applicable to Canada and the United States includes electric washing machines, refrigerators, vacuum cleaners, fans and lighting fixtures.

The following sections provide some details about the large selection of electrical household equipment now being made in Britain.

• Electric Cookers

Over 50 different electric cookers are now on the British market. Efficient and much improved in appearance, the normal family type of cooker has a thermostatically controlled oven and multiheat control of boiling plate; the deluxe types incorporate such refinements as timing clocks, ringers, and strip lighting. A new model of cooker has a dual-purpose grill which preheats the oven; it is said to raise the temperature to 400 degrees Fahrenheit within eight minutes. Other types have glass oven doors. Prices of cookers range from £26 to £120. They do not carry any purchase tax.

• Food Mixers

There are a number of food mixers on the market, one of which was introduced into the United Kingdom from the United States. One manufacturer produces three different models; another firm supplies ovenproof bowls with its mixer and mixing, heating, whipping or blending of light or heavy ingredients are made easy by selecting any one of twenty speeds on the dial. A new portable mixer has recently come on the market. It is supplied with a small detachable mixing bowl, making it suitable for grinding coffee beans; other attachments are offered for mixing drinks or beating eggs. Price range is from £7 3s. 9d. to £59 9s. 7d., including 60 per cent purchase tax. Last year, exports of electric food mixers reached over £600 thousand in value.

• Electric Kettles, Coffee-Makers, Grills

A variety of electric kettles are in use at the present time in British homes. Some of the latest include one with a combined kettle and saucepan, a fast-heating

78236—3½

type which has a special safety feature which prevents the lid falling off when pouring and positions the vent to deflect scalding steam away from the handle, and a vapour-controlled automatic kettle which switches itself off when the water boils and which has an additional protective switch to guard against damage should the kettle be turned on when it is dry. Prices range from £2 1s. 8d. to £6 1s. 11d., including 30 per cent purchase tax.

To cater to the English custom of morning tea in bed, several different kinds of automatic tea-making sets (some include an alarm clock and bedside lamp) have appeared on the market in the past year or two. Prices range from £4 16s. 9d. to £17 5s. 1d., including 30 per cent purchase tax.

Apart from a few urn-type models, most coffee percolators are conventional in shape and are finished in chromium or copper; a few of the cheaper ones are made of aluminum. One eight-cup model is designed to pour without spilling. Another provides for "flavour control" and indicates by means of red and green pilot lights when the coffee is percolating and when it is merely keeping hot. Prices range from £2 18s. 0d. to £10 4s. 3d., including 30 per cent purchase tax.

The maker of a new infra-red contact electric griller claims that it can grill bacon in 15 seconds, fish in 30 seconds, and steak in two minutes. Temperature of the plates is thermostatically controlled and the total loading is 1,200 watts. Prices range from £16 to £38, including 60 per cent purchase tax.

• Dishwashing Machines

One dishwashing machine has made its appearance on the British market. It is said to wash, rinse, sterilize and dry a full load of dishes and saucepans in three minutes. The price is £75 1s. 2d., including 60 per cent purchase tax.

• Domestic Refrigerators

There is a growing feeling in the United Kingdom that a refrigerator is no longer a luxury. Aside from its importance in safeguarding health during hot weather, the British housewife feels that it is an all-the-year-round investment because "cold-cooking" opens up an entirely new culinary field. Probably the most notable innovation in the last year or two has been the increased tendency to use coloured finishes on refrigerators. Because of restricted kitchen space, the 3½ cubic feet models are the most popular in British households. There are smaller models in use (one of 1½ cubic feet) and there are also a number of larger types up to 12 cubic feet. Prices range from £46 4s. 10d. to approximately £500 for the latest model, including 60 per cent purchase tax. In 1955, output of domestic refrigerators was valued at about £16 million.

• Electric Heaters

Electric fires are playing an increasing part in supplying warmth in the British home—well over 200 different models and sizes of domestic electric heaters are now on the market. They include ordinary electric fires with one or more firebars, some with imitation fuel effect; convectors, both portable and for use on wall panels; portable radiators, water-filled and oil-filled, some of which carry towel rails; and tubular heaters. At one time it was estimated that heating by electricity was cheaper than by coal for any length of time up to six hours. But with the continued rise in the cost of coal, this period can now be extended.

Guards are now compulsory on all new electric fires and manufacturers in adopting the required safety measures have also added to the attractiveness of their products.

There is nothing very new in the general run of electric heaters, except perhaps one line called "Radio Glass Thermopanels" in which the element is fixed directly to armour-plate glass. Because of the low heat conductivity of glass, the hand is not blistered by momentary contact and there is little danger of the elements burning out. Prices range from £9 7s. 1d. to £14 7s. 9d., including 30 per cent purchase tax.

Tubular heaters are considered to be the cheapest form of electric heating, especially for halls, garages, heating cupboards, etc. Prices range from 17/3d. to £5 2s. 6d., including 60 per cent purchase tax.

• Electric Blankets

A number of British companies make electric blankets; one firm claims that it made the first single-heat blanket with no thermostat over twenty years ago. One of the largest firms to specialize in the standard electric blanket also makes electrically-heated foot muffs, gloves, eye and ear pads, and flying suits. Another manufacturer specializes in electrically heated mattress overlays and has five different models on the market. Prices range from £4 1s. 11d. to £22 0s. 0d., including 30 per cent purchase tax.

• Water-Heating Appliances

In water-heating appliances, thermal storage models are available from 1½ gallon sizes up, in free outlet, pressure and cistern types. Experience has shown that the kitchen needs of the average household are amply served by using a 1½ gallon heater. This size is favoured because of economy and low cost. The cistern-type water heaters are intended to supply a number of taps. In addition to being economical to run, they are entirely automatic in operation; with a

capacity of 20 gallons and a loading of two or three kilowatts, it is estimated that a little over three gallons of really hot water are obtained for each unit of electricity.

To save the housewife fuel and money, one manufacturer has designed a dual-service immersion heater. It employs two elements, the shorter of which heats the water down to its own depth and no farther. This quickly provides a few gallons of hot water at the top of the tank, sufficient to ensure that hot water is always available for the sink. The longer element, which heats the entire tank, is used only when larger quantities of water are required. A thermostat on the heater controls the shorter element. Price range: immersion heaters £2 15s. 0d. to £12 12s. 0d.; storage heaters £14 0s. 0d. to £140 0s. 0d., both including 60 per cent purchase tax.

• Laundry Equipment

Manufacturers of this type of equipment have long recognized the many opportunities for labour-saving appliances in this field. Many varieties of washing machines, wash boilers, clothes dryers and ironing machines are now available. Price range: clothes dryers £7 12s. 7d. to £138 14s. 6d., including 60 per cent purchase tax: ironing machines, £28 19s. 6d. to £42 4s. 2d. including 60 per cent purchase tax; wash boilers £3 7s. 6d. to £24 0s. 0d., no purchase tax.

About half the washing machines incorporate facilities for heating the water. This not only permits the boiling of clothes if desired, but also meets the needs of those who have no separate water heating system. One such model includes a thermostatically-controlled heating element in the base of an aluminum bowl under the gyrator. A safety device provides full protection of the element against boiling dry or accidental switching on. Price range: vibrator type £17 0s. 0d.; other £38 0s. 0d. to £113 0s. 0d., including 60 per cent purchase tax. Output of electric washers is approaching one million a year, about 23 per cent of which are sold overseas.

Electric irons are now considered to be indispensable. Light models (2 to 2½ lb.) are regarded as just as capable of dealing with the average weekly ironing as the heavier (4 to 5 lb.) types. To avoid a trailing flexible cable, one manufacturer has produced a no-flex iron. It is automatically plugged into electricity supply only between ironing operations. There are only three types of steam irons on the British market at present, all of which can be used for dry ironing as well. Price range is from 17/11d. to £6 11s. 0d., including 30 per cent purchase tax.

• Vacuum Cleaners

There are over 50 British-made vacuum cleaners from which the housewife can make her choice. Last year production was estimated at 1,270,000 (compared with 512 thousand in 1937); 200 thousand went to foreign markets. All the conventional types have been in use for some time and apart from occasional improvements, it is difficult to pinpoint any revolutionary changes. One recent model has a double-insulated motor which is supressed for radio and television interference and others are said to be absolutely silent in action compared with older types. One model features two sets of brushes, one for waxing and one for polishing, and two buffs for finishing (felt for floors and lambswool for furniture and automobiles). Another has a rubber buffer ring which prevents damage to furniture and wall skirtings. Prices range from £11 8s. 6d. to £38 0s. 0d., including 60 per cent purchase tax.

Northern Ireland's Trade

Canada remained Northern Ireland's most important overseas supplier in 1955, accounting for £13·4 million of the total value of imports, compared with £10·8 million in 1954. These figures represent only the direct seaborne imports and do not include the value of goods shipped via Great Britain. Other main supplying countries (exclusive of Great Britain and the Irish Republic) were the United States, Belgium, France, Federation of Rhodesia and Nyasaland, and the Netherlands.

Foreign trade figures for 1955 released recently show an increase of over £9·0 million in trade—to a total of £562·8 million compared with £553·0 million in 1954. Imports totalled £295·3 million, an increase of approximately £10 million; exports fell by about £2 million to £267·5 million. The trade deficit rose from £13·9 million in 1954 to £27·8 million in 1955.

The decrease in exports resulted mainly from a sharp fall in the value of livestock shipped; increased shipments of food and beverages offset most of this decline.

Among the larger imports were the following; (the 1954 figures, for comparison, appear in brackets): cotton goods including those for further processing, £22 million (£21 million); machinery £21 million (£22 million); coal £15 million (£13 million); tobacco, manufactured and unmanufactured, £14 million (£13 million); animal feeding-stuffs, £13 million (£12 million); apparel, £12 million (£11 million), and private and commercial motor vehicles £11 million (£10 million).

commodity notes

Argentina

PEANUTS—The third official estimate of peanut production for the 1955-56 season sets the crop at 216 thousand metric tons. This is the largest ever for this country and 83·2 per cent higher than the 1954-55 crop year; compared with averages for the last five years the yield is 46·2 per cent higher and for the last ten years, 71·7 per cent higher. The final seeded area was around 200 thousand hectares; average yield was 1,106 kilos of nuts per hectare—Buenos Aires, Oct. 5.

Australia

ENGINE BEARINGS—It was stated recently by the Premier of Tasmania that, following the expansion of a factory in Launceston, the company will soon be able to make all the engine bearings needed in Australia for all types of cars. It will also turn out a big surplus for the export trade which would be sold at prices competitive with those in world markets—Melbourne, Sept. 28.

CARBON BLACK—It was recently announced by the Melbourne agents of Godfrey L. Cabot Inc., Boston, producers of carbon black, that the company is investigating the possibility of establishing a carbon black manufacturing plant in Melbourne and has obtained an option on a 40-acre site on the outskirts. Carbon black is used in the manufacture of tires and to reinforce rubber. Australia currently imports all her requirements—Melbourne, Sept. 28.

Chile

MOTOR BUSES—The local press has announced that the State Transport Corporation is negotiating with the Japanese firm, Mitsubishi Fuso Motor Co. Ltd., for the purchase of an additional 300 motor buses with a capacity of 100 passengers each. The total cost will reach an estimated US$6·3 million—Santiago, Sept. 29.

France

PULP—Production of pulp is increasing in France and the industry is making substantial investments this year to expand facilities. Three plants have increased their kraft pulp production, in total, from 94,000 tons in 1955 to an estimated 128 thousand tons in 1956; other plants are making improvements that will increase capacity. One company has established a new plant to produce bleached sulphite pulp and is expected to turn out 30,000 tons of pulp this year—Paris, Sept. 21.

Hong Kong

TEXTILES—The textile knitting trade in Hong Kong is experiencing a recession because of declining demand; cotton vests and singlets are hardest hit by the slow-down. Indonesia, to encourage local industries, has imposed restrictions on their import; similarly Thailand has raised duties. In addition there is a decline in demand from Singapore and Malaya—Hong Kong, Sept. 22.

India

JUTE—The first all-India estimate of jute production for the 1956-57 crop year puts acreage at 1,634,000 acres as against 1,425,000 acres for 1955-56. This represents an increase of 209 thousand acres, or 14·7 per cent, for the new crop year. The State of Bihar reports greater gains although small increases have been reported from Uttar Pradesh and Tripura also—New Delhi, Sept. 25.

TRUCKS—During the first half of 1956, Indian companies turned out 4,182 diesel commercial vehicles; two makes are manufactured at present. Two other firms which ordinarily produce vehicles with gasoline engines also supplied diesel trucks, engines for which they obtained from other manufacturers. The Indian Tariff Commission is at present investigating the ability of these companies to meet India's future requirements—New Delhi, Sept. 20.

Norway

FROZEN FISH FILLETS—In spite of increasing competition from other countries, Norwegian frozen

fish fillets continue to win new markets abroad. During the last twelve months, Norsk Frossenfish A/L has exported 22,000 tons of frozen fish fillets, the equivalent of 50,000 tons of raw fish. This is an increase of 10 per cent over the previous year. At the present time, Norway exports frozen fish fillets to 21 markets and is seeking to expand sales to the Eastern European countries—Oslo, Sept. 25.

SEED POTATOES—Norway produces about one million tons of potatoes annually; 300 thousand tons are used for human food, 450 thousand tons are fed to animals, 100 thousand tons are used for seed purposes, and 70 to 80,000 tons for the production of potato flour and spirits. Last year a trial shipment of seed potatoes went to South Africa, consisting of the two varieties King George and Up-to-Date, which are adapted to hot, dry climates. This year about 100 tons were exported to South Africa. Exporters hope the market will increase considerably next year—Oslo, Oct. 3.

South Africa

GRAPES—Production of grapes in the Union has increased steadily over the past three years to the point where a surplus is likely. In 1954, 505 thousand tons were produced compared with 555 thousand tons in 1955; the estimated output this year exceeds 600 thousand tons. Improved methods of cultivation, as well as increased plantings, have contributed to the higher yield—Cape Town, Oct. 2.

CITRUS FRUIT—Indications are that exports of citrus fruits for 1956 will reach a record total of 6·6 million cases, compared with 6·4 million cases in 1956—Cape Town, Oct. 2.

Sweden

MOTOR BICYCLES—The production of motor bicycles started to develop rapidly in Sweden some five years ago; today one of three large Swedish manufacturers of bicycles, Nymanbolagen AB, makes about 30,000 motor bicycles a year. Its most recent model "Crescent 2000" has all the usual loose parts (cables, chains ,etc.) built in. It is equipped with a 50 c.c. two-gear Sachs engine with kick-starter, and has 20″ x 2½″ wheels. The gasoline tank has a built-in headlight and holds 1½ gallons—Stockholm, Oct. 9.

PULP—The distribution of Sweden's pulp exports during the first half of 1956 has been approximately the same as last year, with Western Europe taking the largest amount. The United States purchased approximately the same as in 1955, but exports to Brazil continue unsatisfactory. A new import policy in Argentina has resulted in significant Swedish sales of pulp to that country. It is estimated that orders for the remainder of the year amount to about 80,000 tons of chemical and mechanical pulp, which is greater than Swedish exports to that country for the whole of 1955. Increase in shipments for the whole year will likely amount to just over 5 per cent, which corresponds to the rise in production—Stockholm, Oct. 9.

Thailand

FINE PAPER—A third fine paper mill, largest in Thailand, is now under construction 120 miles from Bangkok. Equipment valued at US$13 million is being purchased from France with the aid of private United States capital loaned to the Government's National Economic Development Corporation. The plant will produce 50 tons of fine paper a day from rice straw and bamboo. The production of the new plant, in conjunction with that of the two currently operating, will make Thailand almost self-sufficient in writing papers. Newsprint production is not likely to be undertaken in the foreseeable future—Singapore, Sept. 20.

United States

FLAKE BOARD—United Wood Corporation has begun construction of a new $500 thousand plant at West Memphis, Tennessee, to make flake board by combining flaked or chipped wood with glue under pressure. It is used as a core for veneered products such as furniture. The new plant, scheduled for completion in September, will have a capacity of eight million square feet of board a year—New Orleans, Oct. 5.

PULP AND PAPER—A prominent U.S. pulp and paper company has announced plans for a new $30 million pulp and paper plant to be located near Columbus, Mississippi. The company has acquired a 2,500-acre site and has optioned a large timber acreage near the mill to supply part of the estimated 300 thousand cords of wood the mill will process annually. The new plant, which is scheduled for completion in early 1959, will have a capacity of 500 tons per day of kraft paper—New Orleans, Oct. 5.

West Germany

ALUMINUM—During the first six months of 1956 the production of primary aluminum increased to 70,442 tons as against 67,464 tons during the first half of 1955. Imports of aluminum into the Federal Republic during the first five months of 1956 also rose to about 19,500 tons, compared with 14,270 tons in the same period of 1955—Bonn, Oct. 2.

(Above) This Canadian-made nylon net is being used by the anchovy fishermen; note the light colour and the plastic floats that are strung out along the top.

(Below) The manager of a fish-processing plant in Peru examines large hole in the cotton-type anchovy net, which the nylon product is gradually replacing.

Canadian Nets Catch Peruvian Fish

H. J. HORNE, *Commercial Secretary, Lima.*

WHEN PERUVIAN FISHERMEN achieved a record catch of 170 thousand tons in 1955, an "assist" went to an enterprising Canadian salesman. In the spring of 1954, this salesman arrived in Lima with samples of a new product—nylon fishing nets. Tested in the Canadian market, these nets had proved their superiority over cotton. They were lighter and easier to handle because they did not absorb water—but they were also stronger. They lasted longer and needed few repairs. Light in colour, they were practically invisible in the water and brought fishermen larger catches. These qualities offset the higher initial cost.

In 1954, when the nylon nets were introduced, Canadian sales of commercial fishing nets and twine to Peru totalled $16,978; in 1955, they rose to $85,135, and in the first six months of 1956 to $72,550. Orders pending and still unfilled are far in excess of this amount. But Canadian suppliers are now meeting increased competition. German producers are offering nylon nets of comparable quality with, in certain cases, faster delivery. Japan has been sending over mixed nylon and cotton nets that, although they sell more cheaply, do not stand up as well as the nylon product.

Peru's fishing fleet today consists of nearly 3,000 boats and some 10,000 fishermen, operating from ports spread out along its extensive coastline. The recent prosperity of the fisheries has touched off a boom in associated industries such as small shipyards and new and modern canneries.

Main species caught include bonito, anchovies, machete, skipjack, tuna, and corvina. Last year Canada bought about $210 thousand worth of Peruvian canned fish.

(Below) At a fishing station in Chancay, this group of young Peruvians is working hard at repairing cotton anchovy nets. These dark-coloured nets are not only heavier to handle, but have to be dipped in a hot preservative bath every ten days. Even then, they tear easily and require continuous attention.

(Below) This tram-car load of anchovies, caught off the Peruvian coast in nylon anchovy nets, is on its way to the fish-processing plant. In 1954 the anchovy catch reached 43 thousand tons and it has since increased, though it still does not equal the bonito in commercial importance to Peruvian fishermen.

(Above) It takes only these three people to mend the minor holes that appear in the nylon fishing nets displayed on the drying racks in the picture. Contrast this with the photograph above for a graphic illustration of the economies in wear and in labour that the nylon nets are today making possible.

(Above) Remember the rhyme about the pelican "whose beak holds more than its belly can"? These pelicans, protected by law in Peru because of their value to the guano industry, are loafing about a wharf in Chancay, hopefully waiting to pick up any fish spilled or to dine on offal flung to them.

Foreign Tariffs and the Exporter

The new exporter confronted with the complexities of foreign tariffs will find help with his questions here. This article, seventeenth in our series on the techniques of export trade, discusses some of the technicalities of tariff legislation and defines some of the tariff terms in common use.

H. V. JARRETT,
International Trade Relations Branch.

THE EXPORTER'S INTEREST in the rate of duty levied on his products in countries abroad starts from the time he investigates the market possibilities. He wants to know the duties applicable for various reasons:

- One, to assess the possibility of selling his product in competition with those of other countries or those locally produced.

- Two, to find out whether his product is assured of tariff treatment at least equal to that accorded to his foreign competitor, or whether he will either enjoy a preference or be faced with tariff discrimination.

- Three, to know if there are any problems of tariff classification affecting his goods.

- Four, to have an answer to any subsidiary question that may arise, such as the dutiable value or weight of his products, conditions under which preferences are granted, possibility of dumping duties being applied, and so on.

The purpose of this article and the one to follow in the next issue is to answer these questions briefly and to define some of the technicalities of tariff legislation that the Canadian exporter doing business abroad inevitably meets.

Tariff systems may be classified into the following general types:

- *Single column tariff:* This is a tariff which consists of one schedule of duties with a single rate of duty for each article, applicable equally to imports from all countries. Duty reductions negotiated by countries employing such a system are usually generalized to apply to all other countries. Among the countries which today have single column tariffs are, for example, West Germany, Japan, the Scandinavian countries, and Mexico. The United Kingdom applies duties, whether or not negotiated by agreement, equally to imports from all countries, except for the preferences which she accords to other countries of the British Commonwealth. The United States tariff is of the same kind, treating all countries (with certain exceptions) alike.

- *Maximum-minimum tariff:* This involves the setting-up of two more or less complete columns of duties in the tariff. The lower rate is applicable to countries accorded most-favoured-nation treatment and the higher to other countries. Sometimes maximum-minimum tariffs contain only one column (usually called the minimum tariff) and the rates of the maximum tariff are determined by applying a percentage increase or multiplier to the minimum rates. France and Spain are among the countries employing this system.

- *General-conventional tariff:* The countries employing this system start out with a single column of duties and then proceed to establish a second column of conventional duties in negotiation with other countries. This second column includes only those items on which conventional rates have been negotiated and does not therefore cover all tariff items. The conventional rates are applied to countries enjoying most-favoured-nation treatment. On items on which rates have not been negotiated, the general tariff applies.

• *Preferential tariff:* This consists of the reduced rates accorded to another country by reason of a special relationship existing between them—such as among members of the British Commonwealth, between France and Portugal and their respective overseas territories, and the preferences exchanged by the United States with Cuba and the Philippines. Preferential rates of this type are exchanged exclusively between the countries within the respective spheres and are not extended to outside countries. A more detailed discussion of these preferences will be given in a later article.

Types of Rates

Specific Duties are rates levied upon commodities in terms of so much currency according to their weight, number, length, volume, or other measure of quantity. Duties are usually expressed in currency in use in the country and may be converted to Canadian terms at the current rate of exchange. There are exceptions, however. For example, in the tariffs of Spain and Chile rates are given in gold pesetas and gold pesos respectively. To convert duties to local currency, the rates are multiplied by an established factor of conversion.

Ad Valorem Duties are those which are levied in percentage terms on the value of the goods.

Alternative Duties occur where both specific and ad valorem duties are specified for an article, the rate applicable being the one which returns the higher duty (in a few instances the lower rate is the ruling one).

Compound Duties are those in which both a specific rate and an ad valorem rate are levied on the same article.

Tariff Classification

The simplest form of tariff is one which consists of a single item levying the same rate of duty on all imports. Such a tariff is applied only by a country with an uncomplicated economy. As the industry of a country grows and as more and more articles come into production, tariffs tend to become more complex. This arises from the need to assess duties equitably on a wide range of goods, with greatly varying values, for providing whatever protection may be deemed desirable and for encouraging the import of essential products. Tariff negotiations also promote greater specialization of tariffs, because concessions are often designed to cover only a particular grade or type of a product.

Tariffs which employ specific duties are apt to become much more highly specialized than those in which ad valorem duties predominate. For example, a single ad valorem rate may be used to cover a wide range of machinery. When levying specific duties on the same machinery, however, it becomes necessary to break the classification down into weight groups, with lower rates applying to the heavier machines. The textile tariffs of many countries display very complex classifications, with rates varying with the component fibre or mixtures of fibres, weight per yard (or other measure), thread count, type of weave, and whether or not the fabric is dyed or printed.

Before the Second World War the tariffs of many countries, particularly those of Europe and Latin America, were based on specific duties and were, on this account, very complex. Since the war, however, the tendency has been to convert to the ad valorem system. A further trend towards simplification of tariff administration is the adoption by a number of countries of a standard tariff nomenclature, worked out by an international committee of experts and approved by the countries participating in the Customs Co-operation Council in Brussels.

In spite of some simplification in tariff procedure, the task of administering tariffs presents many problems. It is obvious that even a tariff of several hundred items cannot describe clearly every product that enters into trade. With the constant introduction of new products and of new materials in manufacturing processes, new questions of tariff classification have to be answered. Frequently two or more items of a tariff may have to be considered in assessing the rate on a particular article, depending upon its use or component material. In case of disputes over the correct assessment of an article, the matter may have to be resolved by a customs court or tariff board established for that purpose.

The International Trade Relations Branch of the Department of Trade and Commerce maintains at Ottawa a staff of experts who, through training and experience, can determine with a good degree of accuracy the tariff classification of any product which a Canadian exporter wishes to introduce into another country. Final decision rests, of course, with the customs authorities of the importing countries.

Duties Levied for Special Purposes

There are two kinds of duties which are levied only in special circumstances and under certain specified conditions. These are anti-dumping duties and countervailing duties.

• *Anti-dumping Duties*—The term "dumping" means sales of a product for export at lower prices than those charged for it in the domestic market. Dumping may also occur during a period of devaluation or depreciation of a country's currency. This causes export prices, at least temporarily, to be abnormally low in terms of foreign currency. Sale at such export prices is termed exchange dumping.

When lower export prices are accounted for by legitimate drawbacks or exemption of the exported goods from direct internal taxes, such sales are not usually regarded as dumping.

To offset the effects of dumping many countries have introduced legislation providing for the levying of anti-dumping duties, which are special additional import charges designed to raise the price of the imported goods to the normal level. They usually consist, therefore, of amounts based on the difference between the export price and the home consumption price in the country of export. These duties almost invariably are applied only to articles of a class or kind produced in the countries of import.

• *Countervailing Duties*—These are related to anti-dumping duties. They offset bounties or subsidies paid on exports by the government of the exporting country and are usually equal in amount to the bounty or subsidy.

Additional Charges on Imports

In addition to customs duties proper, many countries levy extra charges of one kind or another. The most common form is a surtax of a percentage of the duty. Other forms include ad valorem surcharges, package tax (which is a small extra charge on each package in the shipment), and a variety of other charges of various kinds. Generally these taxes are for some particular purpose such as to provide means for construction of port works, to establish funds for promotion of social welfare, and so forth. The exchange regulations of a country may also provide for taxes of various amounts on imports and removal of quantitative restrictions on imports may lead to the imposition of a compensatory import tax.

Of a different kind are the internal taxes which are collected on imports by many countries. These are usually (but not invariably) levied at the same rate as on similar products of domestic origin. Included in this category are sales taxes, excise taxes, purchase taxes, turnover and transaction taxes and the like.

In many countries, particularly those of Latin America, consular fees for legalization of shipping documents are an added (and sometimes substantial) charge on imports. Some of these are collected by the consul performing the service and others at the port of entry of the goods.

Dutiable Weight

In the case of specific duties calculated on the weight of the goods it is necessary to know not only the rate of duty applicable but also whether the duty is levied on the gross, legal or net weight of the goods. Each country has its own definition of these terms but generally they are about as follows:

Gross weight is the weight of the goods and of all interior and exterior containers and packing material.

Legal weight is the weight of the goods together with the immediate interior containers. Legal weight used in this sense is employed mainly in tariffs of Latin American countries.

Net weight is the weight of the goods themselves without consideration of packing materials. It should be noted, however, that in a few countries net weight is defined to include the immediate containers.

Tare allowances are sometimes used to arrive at the dutiable weight. For example, in Cuba many tariff items specify that the duty is to be levied on the gross weight decreased by a specified percentage thereof, which varies according to the type of container used. In Switzerland gross weight may be arrived at by adding a percentage to the net weight.

By knowing the basis on which duty is levied on his goods, an exporter is better able to assess the true level of the duty and this knowledge will also be a guide to the kind of packing material he should use, consistent with assuring arrival of the goods at their destination undamaged. This is particularly true of products such as canned goods and bottled liquids, in which the weight of the containers and packing material makes up a large share of total weight of the shipment.

Most countries using specific duties use all the foregoing types of dutiable weights, depending upon the commodity involved. In some countries however—for example, Venezuela, Switzerland and Colombia—all (or nearly all) specific duties are levied on the gross weight regardless of the nature of the goods.

Dutiable Value

The price at which goods subject to ad valorem duties are invoiced to the purchaser in the importing country is not always the one on which the duty is levied. Very often, indeed, the invoice price is disregarded in the assessment of customs duties and some other basis of valuation is taken.

In many countries, particularly those of the Commonwealth, duty is levied on the export price or the current domestic value of the goods, whichever is higher. For example, in Australia the dutiable value is either the actual money price paid for the goods by the Australian exporter or the current domestic value, whichever is higher. To both these values are added all charges payable for placing the goods free on board at the port of export. In the United States, past practice has been to appraise goods on the basis of their freely offered domestic selling prices in the country of export. A new procedure is being devel-

oped in accordance with recent legislation which is expected to result in the appraisal of most goods on the basis of their export prices to wholesalers in the United States.

A form of dutiable value at one time quite common but not used so much now is the official value. Under this system the values of imported goods are fixed by legislative or administrative action and are incorporated in the tariff schedules. Among the countries now employing this system are Mexico and Uruguay. In Mexico the official values are used as a basis for levying ad valorem duty only when they are higher than the invoice price. In Uruguay the official valuations are used irrespective of the invoice value and are generally considerably lower than the current market prices. To offset this, the nominal ad valorem rates, plus various surcharges, are high. Argentina also employed this system but recently converted its tariff to a straight ad valorem basis, although it continues to use official values for a few rates bound by trade agreements.

It is particularly important that the exporter should show prices in his invoices with exactitude. He should be prepared to show such prices in whatever form the regulations of the importing country call for. ●

In an article to appear in our November 10th issue, Mr. Jarrett will discuss British preferential tariffs and other preferential arrangements, customs unions and free trade areas, tariff relationships with other countries, import and exchange restrictions, etc.—Editor.

ARGENTINA BEGINS BANKING REFORM

Recent action of restoring complete autonomy to Argentine Central Bank marks first step in projected program of banking reform. Other measures are expected to follow shortly.

W. F. HILLHOUSE,
Agricultural Secretary, Buenos Aires.

THE FIRST STEP in a complete banking reform in Argentina took place a few weeks ago. By a Decree Law dated August 10, the Argentine Banco Central regained complete autonomy. This followed ten years of nationalization and submission to the policies of ex-President Peron and his associates.

Some idea of the significance of this move may be gained from the following quotation from a recent issue of the *Economic Survey,* which provides a reputable weekly analysis of Argentine conditions: "The terrible destruction of our economy under the deposed regime had as its basis and instrument the reform of the Central Bank in 1946-49. Under no circumstances would an autonomous bank have been willing to allow itself to be used as the instrument of inflation, such as occurred in 1946 . . . It is therefore a very welcome and wise step once again to establish the position of the Central Bank in such a way that these pernicious influences are eliminated."

Autonomy Now Assured

The autonomy of the Bank is assured by the following articles of the new Law:

Article 1. "The Central Bank is an autonomous entity of the nation . . . The President, Vice-President and Directors will act as independent functionaries charged with fulfilling and having fulfilled the dispositions of the Central Bank Law and the Banking Law."

Article 6. "The President and the Vice-President will be appointed by the Executive Power with the approval of the Senate for a period of seven years, and may be reappointed. During their term of duty they must devote all their activities to the exclusive service of the Bank and during that time may not hold any other position, remunerated or not. Furthermore, they may only be removed from office for inefficiency, for dishonesty in the exercise of their functions and for common crimes.

Article 9. ". . . The following may not hold Directorships . . .

(*a*) employees or officials of any Government Department and those having another occupation, irrespective of how the latter may be remunerated, depending

directly or indirectly on the Federal, Provincial or Municipal Government . . . with the exception of the Directors representing the Executive Power . . ."

Directors Selected

Quality of service, breadth of viewpoint and continuity of policy appear to have been taken into account in establishing the method of selection and the terms of duty of the Directors. The presidents of the Bank of the Argentine Nation, the Industrial Bank of the Argentine Republic, the National Mortgage Bank and the Postal Savings Bank are ex-officio directors. The twelve remaining directors appointed are as follows:

(*a*) Four direct representatives of the Executive Power.

(*b*) One representative of the banks of the interior of the Republic.

(*c*) One representative of the private banks of the Federal Capital.

(*d*) One representative for each of the following activities: agriculture, stock-raising, commerce, the co-operative societies, and labour.

Directors in categories *b*, *c*, and *d* are to hold office for four years, with one-half their number being replaced each two years. The representative of the interior banks is nominated directly by the institutions concerned; the remainder are appointed by the Executive Power from lists presented by the activities which they represent.

Functions Remain Unchanged

The stated purposes of the Bank remain unchanged. In brief, they are:

- To concentrate and accumulate reserves and exercise exchange control.

- To regulate credit and the circulating medium.

- To promote liquidity and orderly functioning of credit and apply the banking law and other legal provisions that may be adopted.

- To supervise the normal functioning of the securities market and act as the financial adviser and agent of the Executive Power in internal and external credit operations, and in the issuance and marketing of public loans.

However, the Minister of the Treasury stated recently: "In practice, however, none of these main purposes was fulfilled by the nationalized Central Bank, since it was neither able to counteract, by recourse to the use of its reserves, the cyclical fluctuations which subsequently afflicted the economy, nor did it succeed in adjusting the volume of credit and the money supply to the real volume of business in defence of the currency. Nor did it promote the liquidity and smooth working of the credit system, and it failed in the discharge of its function as economic adviser to the National Government." There is optimism in all circles that now these purposes will in fact be carried out.

The Board of Directors, among other duties, will establish rules for the conduct of the monetary, credit and exchange policy, and policies pertaining to the securities market and economic affairs generally; approve the annual general balance statement, profit and loss account and report of the Bank; establish or close branches or agencies, name correspondents and regulate their relations with the Bank; fix the rediscount, interest and import and export exchange rates; acquire and transfer real estate necessary for the operation of the Bank; appoint the general manager and assistant general manager, and so on.

Additional Steps to Be Taken

The denationalization of the Central Bank is considered to be but the first step in a complete banking reform. The plan is to denationalize all the other state banks, a step already begun with the important Bank of the Province of Buenos Aires. A second integral part of the reform is the return of deposits to the private banks. Under nationalization, the private banks merely acted as agents for the Central Bank. It is expected that before the end of the year these deposits will be returned in part to the private banks and that the remainder will be returned gradually. After ten years of arbitrary policies which have not honoured banking practices, the reforms cannot be expected to be effective overnight. They do, however, provide the firm basis upon which to build an important part of the reconstruction of the country's economy.

MLS Opens Toronto Office

Maple Leaf Services has opened a regional office in Toronto at 310 Spadina Avenue, under the direction of J. H. Barter. This office will look after MLS buying in Ontario.

Maple Leaf Services, a non-profit private company sponsored by the Canadian Army, last year opened two shopping centres for the Canadian Brigade in Germany, at Soest and Werl. A third centre will be opened shortly in Hemer. MLS is also taking over the catering for canteens and clubs within the Brigade. In Canada, it will manage all amenities for army personnel at camps and units throughout the country. Buying for Europe is handled by the company's head office in Ottawa.

Uruguay Alters Exchange Rates

New system of exchange rates, introduced in August, designed to ensure that all goods imported will be paid for by foreign exchange earned from Uruguayan exports. Importers still doubtful about this complicated system.

BLAIR BIRKETT,
Commercial Counsellor, Montevideo.

The Avenida Agraciada, in Montevideo, capital of Uruguay, leads to the marble House of Parliament seen in the distance. With a population of 850 thousand, Montevideo is one of South America's great cities and a tourist attraction.

EARLY IN AUGUST the Uruguayan Government introduced a new system of exchange rates, designed to stimulate exports and allow greater freedom for imports within limits to be established by foreign exchange earnings.

Imports of certain goods—including raw materials, veterinary products, fuels, building materials and essential foods—may now be negotiated at the rate of 2.10 pesos per dollar, without permit. Other products accorded the 2.10 rate but still regulated by quota are bananas, seeds, and sugar. All other first category goods may be freely imported at the rate of exchange ruling in the free commercial exchange market.

The import of second and third category goods continues under the quota system. However, payment must be from funds purchased at the free commercial market rate of exchange plus a surcharge, yet to be fixed, which will go to establish an Exchange Regulation Fund. The fund will be used mainly to pay a subsidy equivalent to the difference between the free market rate and the rate of 3.00 pesos per dollar, or its equivalent, on imports of agricultural machinery, antibiotics, cortisone, insulin and fertilizers.

The essence of the new scheme of control is that all goods imported will be paid for with foreign exchange accruing from the sales of Uruguayan goods and materials abroad. An escape clause in the decree authorizes the Bank of the Republic to supplement the supply of exchange if it deems it necessary.

Exports in Eleven Groups

All exports are now divided into eleven groups, with rates of exchange varying from 100 per cent at the free market rate to 100 per cent at the basic rate of 1.51 pesos per dollar. Details of the products in each group and the percentages that may be sold at the free rate may be obtained from the International Trade Relations Branch of the Department.

Exports of products manufactured from Uruguayan raw materials enjoy the same rate of exchange which applies to exports of these raw materials. Similarly, exports of products manufactured from imported raw materials are to be settled at the rate applying to imports of such raw materials at the date of export. The remainder of values of both exports will be negotiable at the free rate. Where the manufactured product contains less than 20 per cent by value of imported raw materials, it may be exported to any country and paid for in any currency. Where the amount exceeds 20 per cent, however, the exchange proceeds must be surrendered in the same currency as was used to pay for the imported raw materials, or in any other indicated by the Bank of the Republic.

The Bank will purchase the percentages of foreign exchange earnings that are to be delivered at the basic

rate. For the remainder a "free exchange certificate" will be issued, valid for eight days, which may be used only in payment for imports. Unnegotiated certificates will be redeemed by the Bank at the free exchange rate less a commission.

Importers Are Uncertain

Thus the system of import, export and exchange control has been revamped. Although on paper it appears a workable scheme, the complicated and multiple exchange rates remain and create doubt in the minds of the importers that they stand to benefit. At this time of the year wool shipments are practically at a standstill and exports are still very low. Exchange certificates for payment of imports are, therefore, in short supply, with the result that importers are seriously hampered.

It should be explained that the free commercial exchange market is quite apart from the financial free market. Trading in the commercial market is confined to dealings in exchange certificates—the proceeds of a percentage of export sales.

Importers are perplexed. They do not favour the complications of the new system and do not believe it is going to work. They have adopted a "wait and see" attitude. Meanwhile merchants of all descriptions are hoarding goods against an expected considerable rise in prices. To date this belief appears well founded, to judge by many increases during recent weeks.

Trade in 1955

Statistics recently published show that Uruguay's adverse balance of trade for 1955 was US$41·4 million—not quite as large as preliminary figures indicated some months ago. This compares with a US$25·5 million deficit for 1954 and a favourable balance of US$74·6 million for 1953.

As in 1954, Uruguay's imports in order of importance were raw materials, machinery, petroleum products, building materials, motor vehicles, and foodstuffs. Of the total of US$225 million, raw materials made up US$72 million, illustrating the high degree of industrialization.

Exports were the traditional ones—wool, agricultural products, wool tops, hides and skins, etc. (Wool accounted for over $74 million out of a total of $183·5 million—a smaller value than for 1954 but still substantial.) Meat exports dropped from $45·5 million in 1954 to only $7·2 million in 1955.

The main suppliers of goods and materials continued to be the United States, Brazil, the United Kingdom, Germany, Venezuela and France—the only change was that Brazil replaced the United Kingdom in second position.

Exports went mainly to the Netherlands, Brazil, the United Kingdom, United States, France and Italy. As with imports, the United Kingdom dropped behind both the Netherlands and Brazil. The United States moved from third place to fourth as a market.

Trade Commissioners on Tour

D. S. ARMSTRONG, Canadian Trade Commissioner in Singapore, began a tour of Canada in Vancouver and Victoria, September 4-14, and completes it in Saint John, October 30, and Ottawa, October 31-November 7.

F. B. CLARK, former Commercial Secretary in Caracas, Venezuela, began a tour of Canada in Victoria, August 30-31. His itinerary is:

Halifax—Oct. 29-30	Saint John—Nov. 2-3
Kentville—Oct. 31-Nov. 1	Ottawa—Nov. 5

Businessmen in the various centres may get in touch with these officers through the Board of Trade in Halifax, Kentville, and Saint John, and the Department of Trade and Commerce in Ottawa.

Tours of Territory

K. F. NOBLE, Canadian Trade Commissioner in Johannesburg, South Africa, intends to visit the Orange Free State (with calls at Bloemfontein, Welkom, Harmony, Virginia, and Odenaalsrust), in mid-November.

R. W. BLAKE, Commercial Secretary in Melbourne, Australia, is planning to visit Tasmania from December 10-19.

G. F. OSBALDESTON, Vice Consul and Assistant Trade Commissioner in São Paulo, Brazil, will visit Porto Alegre, Curitiba, Joinville, Blumenau, Florianopolis, and Paranagua for three weeks, beginning November 16th.

Businessmen who would like these officers to undertake assignments for them in these areas should get in touch with them at their posts as soon as possible. Mr. Noble can be reached at his office in Johannesburg, Mr. Blake at Melbourne, and Mr. Osbaldeston at São Paulo.

General notes

Argentina

U.S. LOAN The first tangible result of the Argentine Economic Mission to the United States is the announcement that the Export-Import Bank has agreed to lend Argentina $100 million to buy U.S. made transport material for the railways, merchant marine, roads, and commercial airlines. The loan is repayable over a period of 18 years at an interest rate of 5 per cent a year. Argentine officials are optimistic that this loan will generate another $25 million from private sources in the United States. The new loan will help improve transportation, one of Argentina's three major economic problems; the other two are a lack of power and need for capital equipment. Buenos Aires, Oct. 12

GENERATING PLANT The provisional government reports plans to start construction shortly on a thermo-electric generating plant in the city of Buenos Aires; capacity will eventually reach 600 thousand kilowatts. Generating capacity in Greater Buenos Aires currently totals about 850 thousand kilowatts. The new plant is to be built in stages and it is expected that the Government will call for tenders soon from local and foreign firms. Construction of the first stage to generate 100 thousand to 150 thousand kilowatts will likely take two or three years. Buenos Aires, Oct. 12

Australia

WHALING SEASON The whaling season on the east coast of Australia has concluded successfully and on the west coast it is nearing completion. Four chasers on the east coast obtained their quota of 720 whales within 64 days of the season's opening, six chasers on the west coast have captured 720 whales out of a quota of 1,000. A new station nearing completion on Norfolk Island will operate soon. Whale meat is now exported to the United States for pet and mink food; whale oil is shipped to Europe. Sydney, Oct. 3.

Brazil

FOREIGN FISHING The Government has authorized 30 Spanish, Japanese and Italian fishing vessels to operate in Brazilian waters on a contract basis. This move was made to meet the increased demands for fish. The Ministries of the Navy and Agriculture will organize the business and grant subcontracts to private firms. One of the requirements is that each crew must include a marine biologist. Crews will be foreigners at first, but Brazilians will gradually replace them. São Paulo, Oct. 5

Chile

WORLD BANK AID A group of technical experts representing the World Bank has visited Chile to study plans to develop electrical facilities and improve the coal mining industry. The Minister of Finance and Economy recently announced that the World Bank had approved Chile's eight-year plan to improve agriculture and transportation. The Bank will grant assistance up to a maximum of US$225 million, payable in annual quotas over the eight year period. The first quota of US$25 million is expected in Chile shortly. The Government will use part of this grant for the development of hydro power and electrification and the remainder to mechanize existing coal mines and open new ones. A second quota, also US$25 million, is expected in the near future. This money will make possible electrification of the railway from Santiago to Chillan and will aid in building roads and improving port facilities. Santiago, Oct. 2

Colombia

BAGASSE PAPER MILL A Colombian company has announced that it will construct a mill in the sugar cane zone near Cali, to make paper from bagasse by the "peadco" process. The annual capacity is expected to reach 20,000 metric tons of various paper products, including kraft, light wrapping and printing paper, bond and toilet tissue. The mill will not produce newsprint, heavy wrapping paper, or cardboard for boxes. Bogotá, Oct. 12

Gold Coast

VOLTA RIVER PROJECT A vast hydro-electric project on the Volta River has won approval. According to reports, the scheme will cost more than

£230 million. The dam would create one of the largest reservoirs ever constructed for the production of aluminum. Work on the project will probably begin next year.

Original investigations for this project were undertaken by a South African mining syndicate. At first they set out to examine hydro-electric possibilities in various parts of Africa but the immense deposits of bauxite found in the Gold Coast sparked the idea for the large-scale development now envisaged—Leopoldville, Sept. 27.

Mainland China

EXPORTS—Peking reports indicate that exports from China of manufactured goods in the first half-year of 1956 increased by 29 per cent over the same period last year. Among the products exported were cotton, linens and ramie, textile fabrics, knitted wear, stationery, sanitary equipment, sewing machines, electric fans, toys and thermos flasks. Exports were made to 53 countries, including Britain, the Soviet Union, East European countries, India, Indonesia and Egypt—Hong Kong, Oct. 4.

Norway

FOREIGN AID—Since July 1st this year, Norway has received no aid from the United States International Cooperation Administration. Since 1953, Norway has received little economic aid under the U.S. aid program. From the time Marshall Aid was first introduced in 1948, Norway has been given direct assistance amounting to more than N.Kr.3,000 million. Military aid from the U.S. has totalled an additional N.Kr.4,272 million—Oslo, Oct. 3.

Spain

INTEREST RATE—The Bank of Spain recently raised the official discount rate on trade bills from 3·75 per cent to 4·25 per cent. This move to control credit and combat rising prices is the first change in the interest rate for two years. However, there is no change at present in the legal rates applicable to commercial bank overdrafts with the Bank of Spain. Large commercial loans will be relatively unaffected, but banks will charge a higher rate of interest on personal loans. How effectively this will curb price rises remains to be seen—Madrid, Oct. 7.

Sweden

EXPORTS, IMPORTS RISE—Volume of exports was 6 per cent higher during the first six months of 1956 compared with the first half of 1955. The largest increases were for iron and steel, up 40 per cent; machines, instruments and vehicles, up 20 per cent; and iron ore, up 15 per cent. Exports of agricultural products decreased by 17 per cent, and timber declined 15 per cent from the high totals attained in the first half of 1955; there was a small reduction in the export of pulp. Import volume for the first half of 1956 was 4 per cent greater than during the first half of 1955. Machines and instruments showed an increase of 8 per cent, the same gain as textile imports. The amount of agricultural products and fuels brought in rose 16 per cent. Finished iron and steel goods purchased abroad dropped 32 per cent from 1955 half-year totals. Value of exports for the first half of 1956 totalled Sw. Kr. 4,527 million and value of imports Sw. Kr. 5,484 million—an import balance of Sw. Kr. 957 million. The excess of imports over exports for the corresponding period in 1955 was Sw. Kr. 984 million—Stockholm, Oct. 9.

Taiwan

EXPORTS INCREASE—Taiwan's total trade during the first six months of 1956 amounted to US$130·7 million. Exports, valued at US$69·7 million, rose by US$7 million over the same period of 1955; imports were valued at US$61 million, leaving a favourable balance of US$8·6 million. These figures do not include the substantial imports under United States economic and military aid—Hong Kong, Oct. 2.

TO EXPAND TRADE—In an effort to compete with exports of light industrial goods by Mainland China, the Nationalists in Taiwan plan to expand their exports of similar products. The China Central Trust, a government agency, is asking producers to send samples of their goods for display to Thailand, Viet Nam, Cambodia and Singapore. The Agency has selected 20 types of products for promotion. These include rubber products, stationery, electric fans, canned food, soap, sewing machines, plastics, medicines, fluorescent lamps, camphor, wearing apparel, aluminum products and harmonicas—Hong Kong, Oct. 2.

United States

TUNA FACTORY—The first commercial tuna-fish canning factory in the South will start operating soon near Vancleave, Mississippi; Bluff Creek Canning Company, a subsidiary of John Morrell and Company, will operate it. Production is expected to reach 250 cases daily, or 12,000 cans of tuna for an eight-hour shift—New Orleans, Oct. 15.

foreign trade service abroad

*** No Foreign Trade Officer at this post.**
Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Territory	Officer	City Address	Mail and Cables, Office Telephone
Argentina	C. S. Bissett, Commercial Counsellor	Canadian Embassy, Bartolome Mitre 478, BUENOS AIRES	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 33-8237
Argentina Paraguay, Uruguay	W. F. Hillhouse, Agricultural Secretary		
Australia (Capital Territory, New South Wales, Queensland, Northern Territory) Dependencies	J. C. Britton, Commercial Counsellor for Canada Commercial Secretary	7th Floor, Berger House, 82 Elizabeth Street, SYDNEY	*Mail:* P.O. Box 3952 G.P.O *Cable:* CANADIAN *Tel.:* BW 5696
Australia (Victoria, South Australia, Western Australia, Tasmania)	R. W. Blake, Commercial Secretary for Canada	83 William Street MELBOURNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* MU 4716
Belgian Congo Angola, French Equatorial Africa	K. Nyenhuis, Canadian Government Trade Commissioner	Forescom Building, LEOPOLDVILLE 1.	*Mail:* Bôite Postale 373 *Cable:* CANADIAN *Tel.:* 2706
Belgium Luxembourg	T. J. Monty, Commercial Counsellor K. G. Ramsay, Assistant Commercial Secretary J. R. Roy, Assistant Commercial Secretary	Canadian Embassy, 35 rue de la Science, BRUSSELS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 11-33-88
Brazil	V. L. Chapin, Commercial Secretary H. M. Maddick, Commercial Secretary	Canadian Embassy, Edificio Metropole, Av. Presidente Wilson 165 RIO DE JANEIRO	*Mail:* Caixa Postal 2164 *Cable:* CANADIAN *Tel.:* 42-4140
Brazil	C. E. Butterworth, Consul and Trade Commissioner G. F. Osbaldeston, Vice Consul and Assistant Trade Commissioner	Canadian Consulate, Edificio Alois, Rua 7 de Abril 252, SAO PAULO	*Mail:* Caixa Postal 6034 *Cable:* CANADIAN *Tel.:* 36-6301
***Ceylon**	Office of the High Commissioner for Canada	6 Gregory's Road Cinnamon Gardens, COLOMBO	*Mail:* P.O. Box 1006 *Cable:* DOMCANADA *Tel.:* 91341
Chile	L. D. Burke, Acting Commercial Secretary	Canadian Embassy, 6th Floor, Av. General Bulnes, 129, SANTIAGO	*Mail:* Casilla 771 *Cable:* CANADIAN *Tel.:* 64189
Colombia Ecuador	W. B. McCullough, Commercial Counsellor A. P. Savard, Commercial Secretary	Canadian Embassy, Avenida Jimenez No. 7-25 Office 613, BOGOTA	*Airmail:* Apartado Aereo 3562 *Surface Mail:* Apartado 1618 *Cable:* CANADIAN *Tel.:* 30-065
Cuba	G. A. Browne, Commercial Secretary	Canadian Embassy, Edificio Ambar Motors, Avenida Menocal 16, HAVANA	*Mail:* Apartado 1945 *Cable:* CANADIAN *Tel.:* UO-9457
Denmark Greenland	C. F. Wilson, Commercial Counsellor	Canadian Embassy, 4 Trondhjems Plads, COPENHAGEN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Tria 1602

Territory	Officer	City Address	Mail and Cables, Office Telephone
Dominican Republic Puerto Rico	M. B. Bursey, Commercial Counsellor	Canadian Embassy, Edificio Copello 408, Calle El Conde, CIUDAD TRUJILLO	*Mail:* Apartado 451 *Cable:* CANADIAN *Tel.:* 5318
Egypt Aden, Sudan, Cyprus, Ethiopia, Saudi Arabia, Yemen	M. R. M. Dale, Commercial Secretary	Canadian Embassy, 6 Sharia Rouston Pasha, Garden City, CAIRO	*Mail:* Kasr el Doubara Post Office *Cable:* CANADIAN *Tel.:* 23110
France Algeria, French West Africa, Tunisia	R. Campbell Smith, Commercial Secretary A. L. Neal, Attaché J. H. Bailey, Assistant Commercial Secretary	3 rue Scribe, PARIS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* OPEra 42-30
Germany Federal Republic	B. A. Macdonald, Commercial Counsellor S. G. Barkley Commercial Secretary M. B. Blackwood, Assistant Commercial Secretary	Canadian Embassy, 22 Zitelmannstrasse, BONN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Bonn 21971
Germany	E. H. Maguire, Consul of Canada	75 Ferdinandstrasse, HAMBURG	*Cable:* CANTRACOM
Greece Israel, Turkey	A. B. Brodie, Commercial Secretary	Canadian Embassy, 31 Vassilissis Sophias Ave., ATHENS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 74044
Guatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	H. W. Richardson, Canadian Government Trade Commissioner J. R. Midwinter, Assistant Trade Commissioner	5a Avenida Sud, 10-68 GUATEMALA CITY	*Airmail:* P.O. Box 400 *Surface Mail:* P.O. Box 444 *Cable:* CANADIAN *Tel.:* 5590
***Haiti**	Chargé d'Affaires, a.i. and Consul	Route du Canape Vert, St. Louis de Turgeau, PORT AU PRINCE	*Mail:* P.O. Box 826
Hong Kong Formosa, Cambodia Laos, Viet Nam, Macao	C. M. Forsyth-Smith, Canadian Government Trade Commissioner Assistant Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg., HONG KONG	*Mail:* P.O. Box 126 *Cable:* CANADIAN *Tel.:* 28336
India	Wm. Jones, Commercial Secretary	Office of the High Commissioner for Canada, 4 Aurangzeb Road, NEW DELHI	*Mail:* P.O. Box 11 *Cable:* CANADIAN *Tel.:* 40191
India	T. F. Harris, Canadian Government Trade Commissioner G. F. Mintenko, Assistant Trade Commissioner	Gresham Assurance House, Mint Road, BOMBAY	*Mail:* P.O. Box 886 *Cable:* CANADIAN *Tel.:* 32968
Indonesia	W. D. Wallace, Commercial Secretary	Canadian Embassy, Budi Kemulian No. 6, DJAKARTA	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Gambir 499
Ireland	T. G. Major, Commercial Counsellor for Canada	66 Upper O'Connell St., DUBLIN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 44251
Italy Libya, Malta Yugoslavia	S. G. MacDonald, Commercial Counsellor W. R. Van, Commercial Secretary K. F. Osmond, Commercial Secretary (Fisheries)	Canadian Embassy, Via G. B. De Rossi 27 ROME	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 846-824

Territory	Officer	City Address	Mail and Cables, Office Telephone
Jamaica Bahamas, British Honduras	H. E. Campbell, Canadian Government Trade Commissioner	Canadian Bank of Commerce Chambers, KINGSTON	*Mail:* P.O. Box 225 *Cable:* CANADIAN *Tel.:* 2858
Japan Korea	J. L. Mutter, Commercial Counsellor W. G. Pybus, Commercial Secretary	Canadian Embassy, TOKYO	*Mail:* Canadian Embassy *Cable:* CANADIAN *Tel.:* 48-4116
Japan	J. E. Lancaster, Canadian Government Trade Commissioner	7th Floor, Crescent Bldg., 72 Kyomachi, Ikutaku, KOBE	*Mail:* P.O. Box 513 *Cable:* CANADIAN *Tel.:* 3-4617
Lebanon Iraq, Jordan, Persian Gulf Area, Syria	G. F. G. Hughes, Commercial Secretary	Canadian Legation, Alpha Building, Rue Clemenceau, BEIRUT	*Mail:* Bôite Postale 2300 *Cable:* CANADIAN *Tel.:* 30794
Mexico	C. J. Van Tighem Commercial Counsellor C. O. R. Rousseau, Assistant Commercial Secretary	Canadian Embassy, Edificio Internacional, Paseo de la Reforma, MEXICO, D. F.	*Mail:* Apartado 126-Bis *Cable:* CANADIAN *Tel.:* 36-27-90
Netherlands	B. C. Butler, Commercial Counsellor W. R. Hickman, Assistant Commercial Secretary	Canadian Embassy, Sophialaan 1-A, THE HAGUE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 18-51-06
New Zealand Fiji, Western Samoa	L. S. Glass, Commercial Counsellor J. MacNaught, Assistant Commercial Secretary	Office of the High Commissioner for Canada, Government Life Insurance Bldg., WELLINGTON	*Mail:* P.O. Box 1660 *Cable:* CANADIAN *Tel.:* 70-644
Norway Iceland	J. C. Depocas, Commercial Counsellor	Canadian Embassy, Fridtjof Nansens Plass 5, OSLO	*Mail:* P. O. Box 1379—Vika *Cable:* CANADIAN *Tel.:* 33-30-80
Pakistan Afghanistan, Iran	R. K. Thomson, Commercial Secretary	Office of the High Commissioner for Canada, Hotel Metropole, Victoria Rd., KARACHI	*Mail:* P.O. Box 3703 *Cable:* CANADIAN *Tel.:* 5826
Peru Bolivia	H. J. Horne, Commercial Secretary	Canadian Embassy, Edificio Boza, Carabaya 831, Plaza San Martin, LIMA	*Mail:* Casilla 1212 *Cable:* CANADIAN *Tel.:* 72760
Philippines	H. L. E. Priestman, Consul General and Trade Commissioner W. J. Jenkins, Vice Consul and Assistant Trade Commissioner	Canadian Consulate General, Ayala Building Juan Luna Street MANILA	*Mail:* P.O. Box 1825 *Cable:* CANADIAN *Tel.:* 3-33-35
Portugal Azores, Madeira	Richard Grew, Commercial Counsellor	Canadian Embassy, Rua Marques de Fronteira No. 8—4° D° LISBON	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 53117
Rhodesia and Nyasaland Kenya, Seychelles Is., Tanganyika, Uganda, Zanzibar	W. J. Millyard, Canadian Government Trade Commissioner	Dolphin House, Union and Moffat Sts. SALISBURY	*Mail:* P.O. Box 2133 *Cable:* CANTRACOM *Tel.:* 26571
Singapore Brunei, Burma, Federation of Malaya, North Borneo, Sarawak, Thailand	M. P. Carson, Canadian Government Trade Commissioner W. G. Huxtable, Assistant Trade Commissioner	Room E-3, Union Building. SINGAPORE	*Mail:* P.O. Box 845 *Cable:* CANADIAN *Tel.:* 30631-2

Territory	Officer	City Address	Mail and Cables, Office Telephone
South Africa (Natal, Transvaal, Orange Free State), Madagascar, Mauritius, Mozambique, Reunion	K. F. Noble, Canadian Government Trade Commissioner	Mutual Building, Harrison Street, JOHANNESBURG	*Mail:* P.O. Box 715 *Cable:* CANTRACOM *Tel.:* 33-2628
South Africa (Cape Province) Southwest Africa	A. W. Evans, Canadian Government Trade Commissioner	Grand Parade Centre Bldg., Adderley Street, CAPE TOWN	*Mail:* P.O. Box 683 *Cable:* CANTRACOM *Tel.:* 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio de Oro, Tangier	M. T. Stewart, Commercial Counsellor	Canadian Embassy, Edifico España, Avenida de Jose Antonio 88, MADRID	*Mail:* Apartado 117 *Cable:* CANADIAN *Tel.:* 47-54-00
Sweden Finland	A. P. Bissonnet, Commercial Secretary	Canadian Embassy, Strandvagen, 7-C, STOCKHOLM	*Mail:* P.O. Box 14042 *Cable:* CANADIAN *Tel.:* 67-92-15
Switzerland Austria, Czechoslovakia, Hungary	B. I. Rankin, Commercial Secretary N. W. Boyd, Assistant Commercial Secretary	Canadian Embassy, Kirchenfeldstrasse 88, BERNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 4-63-81
Trinidad Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, French West Indies	D. B. Laughton, Canadian Government Trade Commissioner	Colonial Building, 72 South Quay, PORT-OF-SPAIN	*Mail:* P.O. Box 125 *Cable:* CANADIAN *Tel.:* 34787
United Kingdom (South of England, East Anglia, Scotland), British West Africa (Gambia, Gold Coast, Nigeria, Sierra Leone)	H. L Brown, Commercial Counsellor G. H. Rochester, Commercial Counsellor (Timber) D. A. B. Marshall, Commercial Counsellor (Agricultural) T. M. Burns, Commercial Secretary	Office of the High Commissioner for Canada Canada House, Trafalgar Square, LONDON, S.W.1	*Mail:* (City Address) *Cable:* SLEIGHING *Tel.:* Whitehall 8701 *Cable:* TIMCOM
United Kingdom (Midlands, North England, Wales)	Canadian Government Trade Commissioner	Martins Bank Building, Water Street, LIVERPOOL	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Central 0625
United Kingdom (Northern Ireland)	T. G. Major, Canadian Government Trade Commissioner	36 Victoria Square, BELFAST	*Mail:* (City Address) *Tel.:* 21867
United States Delaware, Maryland, Virginia, West Virginia	R. G. C. Smith, Commercial Counsellor Dr. W. C. Hopper, Agricultural Counsellor	Canadian Embassy, 1746 Massachusetts Ave., N.W. WASHINGTON 6, D.C.	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* DEcatur 2-1011

Territory	Officer	City Address	Mail and Cables, Office Telephone
Washington	H. A. Gilbert, Commercial Secretary D. H. Burns, Assistant Agricultural Secretary		
United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda, Liberia	S. V. Allen. Deputy Consul General (Commercial) C. R. Gallow, Consul and Trade Commissioner H. E. Lemieux, Consul and Trade Commissioner	Canadian Consulate General, 620 Fifth Ave., NEW YORK CITY 20	*Mail:* (City Address) *Cable:* CANTRACOM *Tel.:* JUdson 6-2400
United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire)	D. H. Cheney, Consul and Trade Commissioner	Canadian Consulate General, 532 Little Building, 80 Boylston Street, BOSTON 16	*Mail:* (City Address) *Tel.:* HAncock 6-4320
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	G. A. Newman, Deputy Consul General (Commercial) R. F. Renwick, Consul and Trade Commissioner W. G. D'Arcy, Vice Consul and Assistant Trade Commissioner	Canadian Consulate General, 1412 Gailand Building, 111 North Wabash Street, CHICAGO	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* RAndolph 6-6033
United States (Michigan, Ohio)	M. J. Vechsler, Consul and Trade Commissioner A. A. Lomas, Vice Consul and Assistant Trade Commissioner	Canadian Consulate, 1139 Penobscot Building, DETROIT 26	*Mail:* (City Address) *Tel.:* WOodward 5-2811
*United States California (the ten southern counties), Clark County in Nevada, Arizona, New Mexico.	Consul General	Canadian Consulate General, 510 West Sixth Street, LOS ANGELES 14	*Mail:* (City Address) *Tel.:* VAndike 2233
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	A. A. Caron, Consul and Trade Commissioner	Canadian Consulate General, 215-217 International Trade Mart NEW ORLEANS 12	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* RAymond 2136
*United States California, (except the ten southern counties), Wyoming, Nevada (except Clark County), Utah, Colorado, Hawaii	Consul General	Canadian Consulate General, 3rd Floor, Kohl Building, 400 Montgomery Street, SAN FRANCISCO 4	*Mail:* (City Address) *Tel.:* SUtter 1-3039
*United States (Oregon, Idaho, Washington, Montana), Alaska	Consul General	Canadian Consulate General, The Tower Building, Seventh Avenue at Olive Way SEATTLE 1, Washington	*Mail:* (City Address) *Tel.:* MUtual 3515
Uruguay Paraguay Falkland Islands	C. B. Birkett, Commercial Counsellor	Canadian Embassy, No. 1409 Avenida Agraciada, Piso 7° MONTEVIDEO	*Mail:* Casilla Postal 852 *Cable:* CANADIAN *Tel.:* 96096
Venezuela Netherlands Antilles	R. E. Gravel, Commercial Secretary A. G. Kniewasser, Assistant Commercial Secretary W. G. Brett, Assistant Commercial Secretary	Canadian Embassy, Edificio Pan American, Puente Urapal, CARACAS	*Mail:* Apartado 3306 *Cable:* CANADIAN *Tel.:* 54-3431

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1·025969.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent Oct. 11	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Official	·05415	18·46	(1)
		Free	·03129	31·96	
Austria	Schilling		·03749	26·67	
Australia	Pound		2·1715	·46	
Belgium, Belgian Empire and Luxembourg	Franc		·01956	51·12	
Bolivia	Boliviano	Official	·005130	194·93	
British West Indies	Dollar		·5655	1·77	(2)
	Pound		2·714357	·368	(3)
	Dollar	British Honduras	·6786	1·47	
Brazil	Cruzeiro	Effective selling*			*Sept. 28
		*Category I	·0140	71·63	(4)
		Category II	·0109	92·15	
		Category III	·0069	145·52	
		Official buying	·05321	18·79	(5)
Burma	Kyat		·2047	4·89	
Ceylon	Rupee		·2036	4·91	
Chile	Peso	Free	·001969	507·87	(15)
Colombia	Peso	Basic	·3899	2·56	(7)
		Free*	·2284	4·38	*Oct. 10
Costa Rica	Colon	Official	·1736	5·76	
		Controlled free	·1475	6·78	
Cuba	Peso		·9747	1·03	tax 2% (4)
Czechoslovakia	Koruna		·1354	7·39	
Denmark	Krone		·1411	7·09	
Dominican Republic	Peso		·9747	1·03	
Ecuador	Sucre	Official	·06498	15·39	
		Free	·05084	19·67	
Egypt	Pound	Official	2·7989	·36	(6)
El Salvador	Colon		·3899	2·56	
Fiji	Pound		2·4454	·41	
Finland	Markka		·004238	235·96	
France, Monaco and North Africa	Franc		·002785	359·06	(8)
French Colonies in Africa	Franc		·005570	179·53	(9)
French Pacific	Franc		·01532	65·27	(10)
Germany	D Mark		·2325	4·30	
Greece	Drachma		·03249	30·78	
Guatemala	Quetzal		·9747	1·03	
Haiti	Gourde		·1949	5·13	
Honduras	Lempira		·4873	2·05	
Hong Kong	Dollar	Free*	·1580	6·33	*Sept. 28
		Official	·1696	5·90	
Iceland	Krona	Official	·05985	16·71	
		Special selling	·3497	28·60	(11)
India	Rupee		·2036	4·91	
Indonesia	Rupiah	Basic	·08583	11·65	(12)
Iran	Rial	Certificate	·0129	77·72	
Iraq	Dinar		2·7291	·37	
Ireland	Pound		2·7144	·368	
Israel	Pound		·5415	1·85	
Italy	Lira		·001565	638·97	
Japan	Yen		·002708	369·27	

* Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent Oct. 11	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	·3035	3·29	
Mexico	Peso		·07798	12·82	
Netherlands	Florin		·2548	3·92	
Netherlands Antilles	Florin		·2548	3·92	
New Zealand	Pound		2·7144	·368	
Nicaragua	Cordoba	Effective buying	·1477	6·77	
		Official selling	·1383	7·23	
Norway	Krone		·1365	7·33	
Pakistan	Rupee		·2036	4·91	
Panama	Balboa		·9747	1·03	
Paraguay	Guarani	Official	·01624	6·15	(6) (13)
Peru	Sol	Certificate	·05130	19·49	
Philippines	Peso		·4873	2·05	
Portugal & Colonies	Escudo		·03402	29·39	(14)
Singapore & Malaya	Straits dollar		·3167	3·16	
Spain & Dependencies	Peseta	Basic buying	·04451	22·47	(6)
		Basic commercial selling	·5934	16·85	
		Free	·02502	39·97	
Sweden	Krona		·1884	5·30	
Switzerland	Franc		·2275	4·40	
Syria	Pound	Free*	·2755	3·63	
Thailand	Baht	Free	·04715	21·05	(6)
Turkey	Lira		·3481	2·87	
Union of South Africa	Pound		2·7144	·368	
United Kingdom	Pound		2·714375	·368	
United States	Dollar		·9746875	1·026	
Uruguay	Peso	Free*	·2388	4·19	
		Basic buying	·6410	1·56	(6)
		Principal selling	·4651	2·15	(16)
Venezuela	Bolivar		·2910	3·44	
Yugoslavia	Dinar		·003249	307·78	(6)

* Latest available quotation date.

notes

1. Argentina: additional rates result from exchange retentions on export proceeds and surcharges on imports.
2. Barbados, Trinidad, Tobago, Leeward and Windward Islands, British Guiana.
3. Bahamas, Bermuda, Jamaica.
4. Tax of 10 per cent affects selling (import) rates only. Tax is based on official rate, and is therefore 1.88 cruzeiros per U.S. dollar.
5. Brazil: currency certificates auctioned for five import categories. Effective selling rate is official rate of 18.82 to U.S. dollar plus price of certificate. Exporters receive cruzeiros at official rate plus exchange premiums ranging from 18.70 to 48.64 cruzeiros per U.S. dollar, depending on product. Three rates shown cover bulk of transactions for auction.
6. Additional rates are in effect.
7. Colombia: stamp taxes of 3, 10, 30, 80 and 100 per cent on imports depending on essentiality. The free rate applies to minor exports and less essential imports.
8. Includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
9. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
10. New Caledonia, New Hebrides, Oceania.
11. Iceland: special selling rate applies to certain designated commodities.
12. Indonesia: basic rate applies to most exports and a few essential imports. Purchase of exchange for other imports is subject to surcharges of 50, 100, 200 and 400 per cent depending on products.
13. Official rate applies to exports and essential imports. For non-essential imports there is a surcharge of 25 Guaranis per U.S. dollar.
14. Portugal: approximately same rate for Portuguese Territories in Africa.
15. Chile: free rate applies to exports and to imports, except prohibited imports. Chilean importers must deposit local currency in amounts ranging from 5 to 200 per cent, depending on product, prior to shipment of goods.
16. Certain essential imports are subject to a fixed rate of 2.10 pesos per U.S. dollar, and no longer require import permits. Other imports are subject to the free rate, and are under quota. Exports are subject to a variety of rates according to the product. Exports will be divided into eleven categories for exchange rate purposes. Depending on the product, the export rates which will apply range from 100 per cent of the free rate to 100 per cent of the basic export rate of 1.519 pesos per U.S. dollar. For additional information see article on page 25.

businessman's bookshelf

British Products and Canadian Distributors

Canadian Association of British Manufacturers and Agencies. 730 pages. Free.

EVERY CANADIAN is aware of the importance of the British market to Canada. He is also aware of the United Kingdom's trade deficit with Canada and the need to encourage larger purchases from Britain. The fourth edition of this annual volume, prepared by the Canadian Association of British Manufacturers and Agencies (CABMA), helps towards this end by providing information on sources of many types of British goods. Up-to-date data, both in English and French, include the name of British products and producers, Canadian distributors and representatives, trademarks, and proprietary names. This volume should prove of considerable value to Canadian businessmen currently engaged in British trade and to those whose interest is sparked by the goods which Great Britain offers.

Order from: The British Trade Centres in Toronto, Vancouver or Montreal.

Cyprus 1955

United Kingdom Colonial Office. 138 pages. 70 cents.

A STRIKING FACT brought out here is that business and trade in this Crown Colony carried on not only as usual but actually grew during troubled 1955.

To quote this report, "1955 was . . . an unhappy year for Cyprus, with peace and the promise of increasing prosperity and material progress giving place to violence and intimidation."

That very violence is, of course, chiefly responsible for making the name of Cyprus the familiar word it is today. And, in spite of it, advances were made in public works, industry and trade.

The half-million civilians on the island—147 to the square mile—carried their commerce to new highs. Both imports at £30·4 million and exports at £18·3 million were the largest in the island's history. That history, according to research findings, goes back to about 3700 B.C., making the story of Cyprus fascinating, quite apart from current issues.

Many of the newspaper reports on the situation in Cyprus, the report declares, were "exaggerated". Certainly the reports were numerous. In addition to 1,879 press releases put out and the efforts of a Central News Room manned 16 hours a day and dealing solely with the release of information "about incidents and operations by the Security Forces," 170 foreign journalists visited the island.

Even a person who read all these news stories, however, will find much new and important information in *Cyprus 1955*.

Order from: United Kingdom Information Office, 119 Adelaide Street West, Toronto.

The Canadian Balance of International Payments—1955

Dominion Bureau of Statistics. 48 pages. 25 cents.

CANADA'S CURRENT ACCOUNT DEFICIT last year rose to a record level of $692 million. What has this meant to the Canadian economy? A recent report prepared by the Dominion Bureau of Statistics answers this question concisely. It also points out that the growing deficit, marked towards the end of 1955, has carried on into the early part of the current year. The $260 million increase in 1955 over 1954 resulted mainly from larger merchandise imports. However, a relatively small but encouraging note is sounded in the sections dealing with freight, shipping and miscellaneous receipts. Here greater earnings helped to offset the deficit in commodity trade to some extent.

Capital inflow movements in 1955 have been sufficient to offset the current account deficit. Though long-term capital movements actually declined last year by more than $180 million, short-term capital movements made up the difference between the enlarged current account deficit and the reduced long-term capital inflow.

This and other information contained in this booklet can be of value to the Canadian businessman by providing him with a comprehensive picture of our current trading position. Other data should also help him to forecast future trends and give him a greater appreciation of some of the underlying factors in foreign trade.

Order from: Dominion Bureau of Statistics, Ottawa, Ontario.

NOVEMBER 10, 1956

foreign trade

CANADA

SOUTH AMERICAN MARKETS FOR PLASTIC RAW MATERIALS

ANADA

foreign trade

Established in 1904

Published fortnightly by the Department of Trade and Commerce.
The Right Honourable C. D. HOWE, Minister,
WM. FREDERICK BULL, Deputy Minister.

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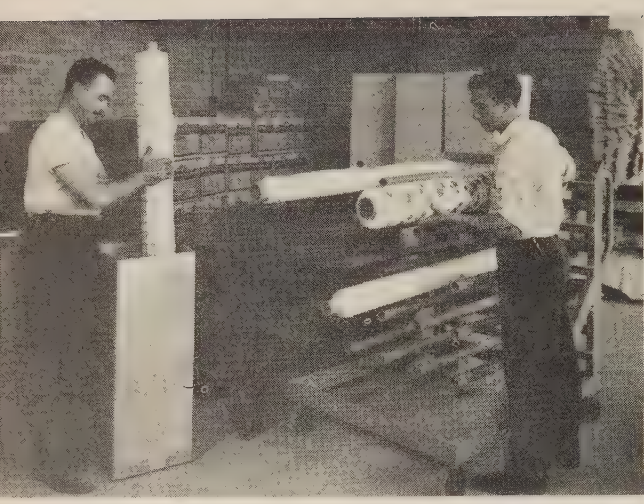
cover In a Canadian control laboratory, a skilled worker operates a polyvinyl chloride mill. P.V.C. is among the plastic raw materials which Canada's fast-growing plastics industry sells in a number of foreign markets. For a review of sales possibilities for these materials in seven South American countries, see pages 2-10.

—Photo by Monsanto Canada Limited



—Shawinigan Water and Power

In a Canadian plant, rolls of multi-coloured printed vinyl film are packaged for shipment to an overseas market. Finished plastic products move to many countries but in those which have fabricating industries of their own, Canada finds sales opportunities for her output of primary plastics.

Plastic Raw Materials

the markets in South America

PRODUCTION OF PRIMARY PLASTICS in Canada has expanded at a phenomenal rate over the past ten years. Last year, Canadian plants turned out $49·3 million worth of synthetic resins as against $6·8 million in 1945—a sevenfold increase in little more than a decade. In fact, primary plastics is one of the fastest growing of all Canadian industries; already it has gained an important position in the billion-dollar chemical field.

Exports of plastic raw materials constitute from one-quarter to one-third of total output. Sales abroad last year amounted to $13·1 million (more than half of it polystyrene) compared with $1·4 million in 1945. Exporters shipped plastic raw materials to 44 different countries in 1955 but eleven countries accounted for 87 per cent of total sales. Leading customers, in order of importance, were: United Kingdom ($2·8 million), Hong Kong ($1·7 million), France ($1·6 million), the Netherlands ($1·5 million), West Germany ($933 thousand), Japan ($879 thousand), and Australia ($661 thousand). Polystyrene exports outstripped the total for all other plastics shipped to Hong Kong, the Netherlands, West Germany, Japan and Italy; the United Kingdom and France accounted for nearly 60 per cent of exports of all other types of synthetic resins.

As the output of primary plastics grows, the need for widespread export markets increases. This fact has led Foreign Trade *to investigate sales possibilities for Canadian-made primary plastics in many areas. In this project, we enlisted the services of the Canadian Trade Commissioners abroad and the Chemicals Division of the Department here at home. The resulting reports, classified by areas, will be presented in five issues beginning with South America in this number.*

In writing to the Trade Commissioners, we asked them to investigate the development of the plastics industry in their territory, the types and quantities of raw materials imported, the main sources of supply, tariffs and other import barriers, and the best opportunities for Canadian suppliers. Because our space is limited, we cannot publish some of the detailed statistics that we received. They are on file in the Department and interested readers may obtain a copy by writing to the Chemicals Division, Department of Trade and Commerce.

ARGENTINA—*Some 700 plastics fabricators provide steady market for variety of thermosetting plastics and thermoplastics. Import of all types not made locally eligible from any source, without permits and at free market rate.*

SEVEN HUNDRED PLASTICS FABRICATORS produce a wide range of plastic articles for the domestic Argentine market and the list is growing month by month. It includes such products as film, sheet, adhesives, laminates, tubing, paints, wire coatings, electrical devices, and a wide range of injection mouldings. The list of finished products in fact resembles a similar Canadian list. Some of the raw materials which go into the production of these articles are produced locally by approximately twelve plastics manufacturers; others are imported. The imports are most often in a basic form such as basic chemicals (urea, phenol), monomers, or compounded materials; sometimes in semi-fabricated form (sheets, tubes, laminates, etc.), but seldom as consumer goods.

Imports Now Freed

The development of the industry has been seriously hindered in recent years by import controls and restrictions caused by shortage of foreign exchange. Effective January 9, 1956, however, the import of all important plastic materials, except those made locally, was placed on the free market—i.e., imports are eligible from any source without permits and payable at the free market rate of exchange. Eligible materials which have not been placed on the free list are added when and if a demand for them arises. Because some supplies entered the country in 1955 at the exchange rate of 7.50 pesos per U.S. dollar, others (between October 28, 1955, and January 9, 1956) at the present official rate of 18 pesos per dollar, and the most recent at free market rates which have ranged between possibly 28 and 45 pesos to the dollar, the market is currently somewhat unsettled. However, the longer-term outlook is bright. The Argentine people appreciate material progress and modern design and hence are very interested in plastics, synthetic fibres, etc. One company is bringing a new plant into production by the end of this year and two others have firm plans for expansion. Overall demand is expected to increase rather dramatically during the next few years and to continue expanding. Because the market is now a completely free and competitive one, Argentina should provide interesting possibilities for exporters who can meet international competition in price, quality, terms and service.

Plastics in Argentina and Their Uses

Plastic	*Uses*	*Estimated Consumption Metric Tons* 1956	1957	1959
THERMOSETTING PLASTICS				
Phenolformaldehyde moulding powders	Wide range including telephone instruments, light switches, normal phenolics applications	2,400	2,900	4,000
Resins	Cloth or paper laminates for industrial purposes such as gears, etc., and decorative purposes such as panelling, etc.			
Urea formaldehyde moulding powder	Similar to phenolics but give brighter colours, different properties	2,400	2,900	4,000
Resins	Textile finishing, glues for plywood and furniture, paper treatment, etc.			
Melamine formaldehyde moulding powders	Wide application, houseware, dishes, toys, electric articles, etc.	400	480	700
Resins	Decorative laminates			
Alkyd resins	Used in paint manufacture	500	600	800
THERMOPLASTICS				
Polystyrene	Complete range of sheets and injection mouldings, toys, household articles, etc.	2,500 to 3,000	3,800	4,800
Polyethylene	Complete range of film, squeeze bottles, etc., and plans exist to make piping	1,500 to 1,800	3,800	5,900
Polyvinylchloride	Complete range including sheeting, electric wire covers, garden hose, flooring, imitation leather, etc.	2,500 to 3,000	6,500	5,900*
Polyvinylacetate	Paints	120	?	?
Polymethylmethacrylate	Sheets for refrigerator parts, decorative sheeting, injection moulding and general machinery	500	500	500
Cellulose acetate	Combs, screwdriver handles, toys, toothbrush handles and photographic films, etc.	400	450	500
Nylon (plastics applications)	Mainly for injections, mouldings, industrial articles.	10	20	30

*This reduction is anticipated as a result of expected use by 1959 of locally produced high-impact polystyrene sheets.

A wide range of thermosetting plastics and thermoplastics is used in Argentina. In the first group are phenol formaldehyde, urea formaldehyde and melamine formaldehyde resins and moulding powders, polyester resins, and alkyd resins. The thermoplastics include polystyrene, polyethylene, polyvinylchloride, polyvinylacetate, polyvinylformal, polyvinylbutyral, polymethylmethacrylate, cellulose nitrate, cellulose acetate, cellulose acetobutyrate, ethyl cellulose and nylon. Official consumption figures are not available but private estimates suggest that total consumption of plastics during 1956 will range between 13,000 and 15,000 metric tons. By 1959, it is expected to exceed 21,000 tons. Individual estimates where available are included in the table.

Although a few of the named materials are being used in a limited way or are just being introduced into this market, the majority have wide applications, very similar to uses in Canada or the United States. The table provides details about some of the main uses for each plastic.

Sources of Raw Materials

Formaldehyde is produced locally and is used with imported urea and phenol to produce the phenol and urea formaldehydes. Domestically produced phthalic anhydride is also used in the local manufacture of alkyds. At present the remainder of the thermosetting plastics and all the thermoplastics are imported. However, local production of polystyrene will begin shortly and plans call for domestic production of polyethylene, polyvinylchloride and possibly nylon within two to three years. The materials can be imported in the following forms: phenol, urea, melamine, styrene and maleic anhydride in their natural form; polyester resins as solids or liquids; polyethylene, polyvinylacetate, cellulose acetate, cellulose acetobutyrate and ethyl cellulose as liquids, powder, paste, pellets or granules; polystyrene and polyvinylchloride in the previously named five forms and as rigid sheets; polyethylmethacrylate and cellulose nitrate as sheets, tubes, rods or other semi-fabricated form, and nylon as powder, paste, pellets or granules.

Formerly imports came almost exclusively from countries with whom Argentina had bilateral trade agreements. Since imports have been freed, the pattern has not become clearly established but purchases from dollar countries have been substantial. To date, Canada has participated only in a minor way, and the major sources include the United Kingdom, Germany, France and Italy.

Because plastics have been placed on the free market list, all exporting countries have equal access to the Argentine market. Imports are subject only to the customs duties which apply equally to those from all sources—18 per cent ad valorem for the plastic materials and phenol and 12 per cent for urea.

Prices, Terms and Representation

Little price information is available but the following examples of current c. & f. Buenos Aires prices may be indicative: polystyrene crystals 66 cents per kilo; polyvinylchloride (general electrical compound) 70 cents per kilo; polyethylene 88 cents per kilo. Quotations to Argentina should preferably be made c. and f. in U.S. dollars. Business in the past has generally been done on an irrevocable letter of credit basis but at the present time the supply of money in the country is so short that a number of suppliers are giving terms up to 180 days. At the moment such terms would more than offset any but a substantial difference in prices, because bank advances to cover such imports would cost 7 per cent interest. Delivery, quality, technical information and service, and customer contact are all important factors in obtaining and retaining business. The normal method of selling is through an exclusive representative whose commission is 5 per cent. The material is consigned direct to purchaser, as holding of stocks is impractical because of wide fluctuations in the international value of the Argentine peso.

—W. F. HILLHOUSE,
Agricultural Secretary, Buenos Aires.

BRAZIL—*Rapid development of local industry is shrinking market for imported plastic raw materials. But certain materials still bought abroad, chiefly in Europe.*

BRAZIL is rapidly becoming self-sufficient in the manufacture of plastic raw materials. At the present time, local industry can supply Brazilian requirements of polyvinylchloride, urea formaldehyde, polyvinylacetate, alkyds, and polyesters. For polystyrene, the monomer is being imported but by the end of this year it will be produced locally. Polyethylene is bought abroad but plans have been made to manufacture it in Brazil by the end of next year. Phenol-formaldehyde is being made locally from imported phenol and domestic formaldehyde. Two firms are considering the manufacture of phenol and by the end of next year Brazil should be self-sufficient.

Among other products, local manufacturers are supplying acetic anhydride, metal stearates, phthalic anhydride, synthetic iron oxides, acetic acid, acetone, ethyl alcohol, isobutyl alcohol, formaldehyde, n-butyl alcohol,

-butyl acetate, phenolic resins, vinyl chloride, urea nd glycerine.

Acrylic resins, some vinyl resins, melamine formalde-yde, formaldehyde in pulp, pentaerythritol and ethanol are still imported. The latter will be pro-uced locally within two years if present plans are arried out.

rom February 20, 1956, to July 16, 1956, 172 import icences were issued in São Paulo for the import of rtificial plastic materials and synthetic resins. An xamination of these licences reveals the following nformation:

Commodity	*Number of licences issued*	*Weight in kilograms*	*Usual country of supply*
rea formaldehyde in pulp	22	104,360	Sweden, U.S.
Melamine formalde-hyde	8	36,199	Sweden, U.S.
elluloid sheets	21	41,149	Japan
olyethylene	18	83,590	U.S., Yugoslavia, U.K.
henolic plastic sheets	13	35,780	Denmark, Germany, Czechoslovakia, U.S., Hungary
inyl resins, n.o.p.	9	108,571	U.S., Japan
crylic resins	8	15,880	Germany, U.S., Denmark
olyhexamethyl, adi-pamide resins	8	127,276	Canada, Italy, France
olyvinylchloride	4		
olyvinyl alcohol	5	18,075	Italy
rtificial casings	6	8,692	United States
arious other products	59	12,482	U.S., Canada

he reader should note that, although the Brazilian roduction of urea formaldehyde is sufficient for local eeds, the quality is such that local manufacturers refer the imported product for some purposes.

should also be remembered that imports from anada are often shown as originating in the United tates.

ocal Industry Develops

he amazing development of the local plastics indus-ry can be accounted for by the entry of a number of oreign firms into the Brazilian market. Among these re Union Carbide and Carbon, the Borden Company, Goodrich, Reichold, Solway, Monsanto, Koppers', Bunge Borne and Rhodia.

Brazil is making a wide range of plastic products: in 1953 the State of São Paulo alone had 116 factories urning out plastic goods. Polystyrene is used for dishware, dolls and electrical appliances; polyvinyl-chloride for curtains, table-cloths, hose, cable covers and electrical appliances; polyethylene for packaging; olyester for lightweight construction material when mixed with glass wool; urea formaldehyde for dhesives, kitchenware and electrical appliances; poly-inylacetate for imitation leather; alkyds for paint manufacture, and phenol formaldehyde for formica board. The import of plastic manufactures is prohibitively expensive.

Market Possibilities for Canadians

As this report shows, Brazil is a small and constantly diminishing market for Canadian-made plastic raw materials. Even when there is a demand, Canadian manufacturers must compete with European sources of supply which have a price advantage under the current foreign exchange regulations (see *Foreign Trade* of August 20, 1955). When the market becomes large enough to support a local industry, the import regulations make the establishment of a branch factory very attractive to foreign firms. Once local production is deemed sufficient to meet national needs, the product is reclassified in a higher category and imports are effectively priced out of the market.

There are still sales possibilities when there is no local production—or at least when production is insufficient for local needs and the material cannot be obtained from a country whose currency can be purchased at a lower auction price.

Brazilian importers carefully study the fluctuations in the cost of foreign exchange from the various countries of supply and they purchase on a spot basis to meet their needs for a relatively short period. For those products still being imported, it is essential that Canadian firms advise their Brazilian buyers immediately of any price changes in order that they may take advantage of any fluctuation in the auction price of the foreign exchange.

—G. F. OSBALDESTON,
Vice-Consul and Assistant Trade Commissioner, São Paulo.

CHILE—*Expanding market for polyesters and new low-pressure polyethylenes. Market for plastic materials well developed but competition from established suppliers keen.*

THE PLASTICS INDUSTRY IN CHILE is one of the oldest and the most advanced in South America; the first plant to manufacture goods from plastic was established in Santiago in 1932. This factory produced electrical fittings such as panels and switches, using phenol formaldehydes.

During the Second World War and immediately after, the industry expanded rapidly and today consists of

78237—2½

40 independent firms. Except for polyvinylchloride, which is brought in as a resin and compounded locally, the raw materials for the industry are imported as compounds ready for moulding. The most important of these and the products which are made from them in Chile are:

Phenol formaldehyde—Radio cabinets, telephone cases, electrical articles (switches, coverings), accessories for industry.

Urea formaldehyde—Tableware, chess sets and accessories for industry.

Polystyrene—Tableware, toys, transparent articles.

Polyethylene—Film, flexible bottles, extruded trimmings for such trades as upholstering.

Cellulose acetate—Toys, films, accessories for industry.

In addition, polyvinylchloride is used to make film, extruded forms, and imitation leather textiles; polyvinylidene chloride is used in thread-making, and melamine in tableware. Pure phenolic resins are used, in powder form, as part of brake linings and clutch facings and as impregnations in safety helmets, insulating boards and industrial gears. Alkyds are employed extensively in the local paint industry. Polyvinyl acetate is not used in Chile at the present time.

The most important plastic imports into Chile in the past year were polyvinylchloride, polystyrene, phenol formaldehyde, cellulose acetate and polyethylene. Principal suppliers were the United States, the United Kingdom, Germany and Italy.

Small quantities of phenol formaldehyde are made locally but not nearly enough to meet demand. Production of alkyd resins started several months ago, but most of the industry's needs are met from abroad. Casein is the only plastic entirely manufactured in the country at the present time. German technicians introduced this material into Chile before the turn of the century.

Import Restrictions Relaxed

For many years, Chile experienced exchange difficulties and used import licences to re-direct most of its purchases to soft currency areas or to countries willing to sign compensatory and barter agreements. These restrictions were enforced for primary plastic materials until very recently. The Government has now removed restrictions against dollar suppliers for a number of products, including the basic ones that manufacturers of plastic goods require.

The Chilean plastics industry today makes a complete range of goods and can supply local requirements. The most recent development is the manufacture of film from polyethylene; output for 1957 is estimated at 225 metric tons. Demand for plastic products, and particularly for articles in the retail and building trades, has slackened in the past few months as a result of government credit control. Finished plastic goods, with the exception of laminations in bars and sheets, are not allowed to enter the country.

Competition Is Keen

The sale of plastic raw materials to Chile has possibilities but competition from established suppliers is keen. They dominate a substantial portion of the market, and many are companies that obtained a firm foothold during periods of exchange difficulties.

The industry has demonstrated its ability to grow and keep pace with technical developments. Increased use of polyesters in the manufacture of reinforced plastics and more moulding with the new low-pressure polyethylenes are predicted for the future.

Plans are afoot to establish a local synthetics industry to make plastic resins and plasticizers. Raw materials would be obtained from the petrochemical industry, from by-products of steel manufacture, and from the cellulose industry now being established in Chile.

—L. D. BURKE,
Assistant Commercial Secretary, Santiago.

COLOMBIA—*Opportunities for sale of four types of plastic raw materials to growing domestic industry; stiff competition from United States and European producers.*

COLOMBIA has a growing plastics industry which is absorbing an increasing amount of raw materials each year. Today there are nearly one hundred firms varying in size, none very large, that are manufacturing or processing plastic materials. These are independent and privately operated.

The main plastic raw materials in use at the present time are: polystyrene and polyethylene (in good quantities) and phenol formaldehyde and polyvinyl chloride (in lesser quantities) for moulding and extruding; polyvinyl acetate for the paint industry, and urea formaldehyde for the textile industry.

Small quantities of the secondary compounds are produced in Colombia. In the main, however, the industry imports resins and the compounded material ready for fabrication, as well as semi-fabricated articles. The import of finished consumer goods is negligible.

Although Colombian imports of various plastic and allied materials are classified in some 25 groups for Customs purposes, the bulk of the items imported in 1955 appear under the following headings:

	net kilos.*	c.i.f. value (pesos) (1US$=2.50 ps.)
Artificial plastic materials, based on phenols, urea, phthalic acid, etc. (artificial resins), with incorporation of paper or textiles and other plastic materials and thermoplastics, including modified rubber, in thin sheets, of less than 0·75 mm. thickness	412,215	2,185,888

The following countries supply Colombia with this type of plastic materials:

	Net Kilos	c.i.f. value in pesos
United States	339,233	1,921,396
Germany	49,366	176,347
Canada	20,765	67,894
United Kingdom	1,488	14,881
Japan	834	3,854
Belgium and Luxembourg	482	1,102
France	43	386
Switzerland	2	18
Peru	2	10

* 1 kilo=2·2 lb.

Artificial plastic materials, based on phenols, urea, phthalic acid, etc. (artificial resins), with incorporation of paper or textiles, and other plastic materials in blocks, plates, tubes, bars, or sheets, polished or worked in some other way on the surface	263,833	1,399,901

	Net Kilos	c.i.f. value in pesos
United States	196,359	1,105,307
Germany	32,178	117,100
United Kingdom	19,858	106,392
Canada	12,200	56,112
Sweden	3,235	14,984
France	3	6

Colombia does not produce any plastic raw materials nor is it likely to in the near future. Present prospects for continued industrial development and the fact that this country will probably not be a producer of plastic raw materials for some time give good promise of increased sales of these raw materials.*

An Open Market

Canada enjoys most-favoured-nation treatment with Colombia; there is no discrimination nor are there any special restrictions against exports from Canada in favour of those from any other country.

In addition, Colombia earns more dollars than all other foreign currencies combined. This means that the Canadian exporter's opportunities are not restricted because he wants to be paid in dollars. However, he should bear in mind the report in trade circles that U.S. and Canadian prices are in some cases 30 per cent higher than European (specifically German) prices for these products.

—W. B. McCULLOUGH,
Commercial Counsellor, Bogota.

* More complete statistics on various other types of plastic products and materials are available on request.

PERU—*Demand for polyvinyl chloride and polyethylene expected to double this year, though local industry small. Credit terms important in this market.*

RELATIVELY SMALL QUANTITIES of Canadian plastic raw materials are sold in Peru, although this is an attractive market, for several reasons. The infant domestic industry must import all its raw materials, there are no import restrictions, and Canadian products receive the same tariff treatment as those of the leading supplying countries. Yet the United States supplies over half the Peruvian demand and Germany and the United Kingdom most of the remainder.

The total capital—practically all of it domestic—invested in the plastic moulding industry probably is less than half a million dollars, and production is limited to small household articles and miscellaneous items. In 1955 the moulders used the following raw materials, according to a recent estimate:

Polystyrene	185 tons
Urea and phenol formaldehyde	80 tons
Polyethylene	12 tons
Polyvinyl chloride	2 tons

Largest Users

Two copper wire manufacturers are the largest users of polyvinyl chloride which they employ for coating electric wire. In 1955 they used an estimated 60 tons of p.v.c., seven tons of polyethylene, and some quantities of neoprene. (A small amount of material for plastic garden hose is included in the above figures.) The second factory is just commencing operations and therefore 1956 consumption is expected to be double.

Local paint companies are using more synthetic resins to manufacture a larger proportion of the so-called plastic paints. Half a dozen fair-sized factories are producing most of the 1956 estimated total production of 7,000 tons of various paints. About one-half contained proportions of the estimated consumption of 110 tons of alkyds, 90 tons of phenolic and 45 tons of maleic resin. A further 30 per cent is estimated to have contained latex, a synthetic rubber the use of which has increased considerably.

Until last year blank discs were the chief raw material imported for the phonograph record industry. Now, however, the local industry imports the ethyl cellulose and p.v.c. and prepares its own compounds. The 1955 consumption is estimated at 25 tons and five tons respectively.

Some 75 tons of plate, 50 tons of sheet and 10 tons of acrylic emulsions are estimated to have been used by the footwear industry, the furniture manufacturers and the makers of advertising items.

All other users consume approximately 200 tons of assorted plastic materials for manufacture principally into consumer goods, such as ladies' handbags, seat and upholstery covers, plastic bags, etc.

In 1955, 287 tons of cellulose acetate in flakes were imported for the manufacture of synthetic textile fibres. This was more than double the 1954 imports. Slightly over 50 per cent came from the United States and the remainder from Germany, which also supplied the 125 tons imported in 1954.

(Unfortunately, space does not permit the inclusion of all the statistics provided on the import of plastic raw materials and of plastic semi-manufactured and finished goods into Peru. Readers who would like to obtain them should write to the Chemicals Division, Commodities Branch, Department of Trade and Commerce.)

Despite the imposing of tariffs to protect the local industry, imports of finished plastic articles continue to grow as local demand increases with the introduction of a wide variety of new plastic products manufactured abroad.

Future Prospects

The 1956 trade figures indicate that there will be at least a 30 per cent increase in the overall consumption of plastic raw materials in 1956, with an equal or greater increase in 1957. Demand for polyvinyl chloride and polyethylene is expected to double. In the near future, in addition to increased output of items already produced here, new lines will undoubtedly be introduced. However, the small domestic market precludes expansion of the industry into fields where the process is too complex or which require heavy capital investment in costly machines.

Canadian exporters of raw materials, if they expect to obtain business in this highly competitive market, must not only quote competitive prices but also must be prepared to grant credit to their distributors. The bulk of the plastic raw materials sold in Peru are delivered from consigned stocks held by local distributors who sell to the manufacturers with payment, in some cases, up to 120 days after delivery.

—H. J. HORNE,
Commercial Secretary, Lima.

URUGUAY—*All plastic raw materials imported, but chronic shortage of dollars favours European suppliers. Best approach to market through local agents, familiar with import regulations and customers' needs.*

NO PLASTIC MATERIALS are manufactured on a commercial scale in Uruguay, largely because the necessary ingredients are not available locally. At one time two firms in Montevideo made casein formaldehyde, but the plants were closed down two years ago and this material has since become an item in the first category of imports. Experiments are going on continually but without success. The material which gives most promise of being made locally is phenol formaldehyde in powdered form. Small quantities are being turned out from imported raw material but no marketing has yet been attempted.

Materials Imported

The raw materials for the fabricators of plastic products must all be imported and they cover most of those currently used in other countries, including:

Alkyd Resins—for use in paint-making.

Phenolics—imported in the form of powdered phenol formaldehyde at the rate of from 180 to 200 metric tons per year. This material is used principally in the production of bottle tops, electrical accessories, certain mechanical parts, buttons and radio cabinets. The import of cast-phenolic materials in sheets and bars has ceased; other plastics now moulded locally from polystyrene, polyethylene, P.V.C. etc., are used.

Urea Formaldehyde—consumption runs to approximately 60 tons a year, largely by makers of buttons and electrical accessories.

Polyethylene—consumption is estimated at 200 to 300 tons per year, for the manufacture of such items as infants' unbreakable feeding bottles, packaging materials, flasks, sheeting, etc.

Melamine Formaldehyde—small imports of from two to three tons per year. It is used almost exclusively for plates and other tableware.

Polystyrene—consumption is put at from 300 to 500 tons a year. Polystyrene is imported in colourless form in two grades—common and high impact. Tinting is done locally. Its main use is in toys.

Polyvinyl Chloride—estimated yearly requirements vary from 400 to 500 tons. The primary use for this material is for covering electric wire and cable. Rigid P.V.C. sheets—about 20 tons per year—are imported for fashioning refrigerator inner doors and cabinets. Requirements of P.V.C. plastisols for the manufacture of plastic textiles are estimated at from 20 to 30 tons a year.

Import statistics* obtained from government sources provide the best indication of the extent of production and consumption of plastic products. Unfortunately they are not available in any great detail. For instance, imports of polystyrene, polyethylene, and P.V.C. are all included under the single heading of "plastic materials or non-specified synthetic resins". There is no record of Uruguay ever exporting plastic materials or plastic products.

Local Industry

There are some 130 factories in Uruguay processing plastic raw materials but only about ten of these are important in size and output. The remainder, though definite factors in the overall picture, are for the most part small establishments. Of the ten large firms, eight operate by injection and extrusion, one laminates, and one employs only the coating process.

The principal types of articles turned out—and there are many variations—come under the general headings of toys, electrical equipment and accessories, pharmaceutical specialties, toiletries and household articles. Certain foreign trademarks are copied here under contract. Almost all the important firms have arrangements with foreign companies for the use or rental of moulds because of the high cost of these and the limited size of the market. As far as is known, however, there are no agreements on marketing or the exchange of technical information.

There appears to be an ever-growing demand for plastic products which provide good and serviceable substitutes for things formerly made from metal, wood, clays and glass, all of which are in short supply and expensive. Because finished plastic articles are not permitted entry, the whole emphasis is on imported raw materials. The sources of supply vary considerably since imports are subject to the availability of exchange. The chronic shortage of dollars means that European producers have figured prominently in the trade. The United States is none the less a strong contender. Her energetic sales efforts—including a good measure of know-how in merchandising—combined with the popularity here of American styling, help in combating the lower prices of certain European materials. Were it not for the careful rationing of dollars, United States participation would be appreciably greater.

It is generally agreed that exporters of plastic raw materials to this market are best served by local agents, because of the complexity of the import regulations and the large number of small consumers.

—BLAIR BIRKETT,
Commercial Counsellor, Montevideo.

* Unfortunately space does not permit publication of the statistics provided but interested firms may obtain them by writing to the Chemicals Division, Department of Trade and Commerce.

VENEZUELA—*Prosperous Venezuela is using more and more plastics. Local production of finished goods favoured and U.S. firms participating. Canadian suppliers of plastic raw materials face a tough selling job.*

THE DOMESTIC PLASTICS INDUSTRY in Venezuela does not appear to have settled into its final pattern. There are now 26 plastic manufacturers in this country, not including those who merely cut and seal film or perform only a single-step process. Only one firm imports a monomer (styrene); shipments are quite small and originate with the parent company in the United States. Other firms treat polymers and co-polymers using the powdered or granulated form. Most manufacturers favour injection moulding; a small amount is done by extrusion.

The industry is scattered but will shortly organize as the Association of Venezuela Plastics Manufacturers; it receives quite adequate protection against imports of finished goods. For example, plastic playing cards and combs enter only after paying a duty of $3.00 per gross kilogram (including packing). Semi-manufactures of plastic enter at $0.06 per gross kilogram.

Item 411-A of the Venezuelan tariff is designed to cover imports of plastic raw materials: It reads:

> "Unmanufactured artificial plastic materials; with phenolic, urea, phthalic acid or similar bases, hardenable or hardened artificial resins".

The duty charged is $0.015 per gross kilogram. This is also the duty charged for Item 411-N, "Coumarone resins and artificial resins not hardenable".

Styrene polymers are the leading plastic raw materials imported. The products are seen in a variety of forms, but chiefly in household sundries, tableware, etc.

The vinyl resins rank as important materials. Products made from these are used widely in outdoor advertising devices and more recently in household goods, such as lampshades.

Urea formaldehyde and phenol formaldehyde are also prominent imports. They find a variety of uses, chiefly in small sundries such as buttons.

The continuous building boom and adventurous Venezuelan architecture promise an increasing market for plastics adapted to structural and decorative uses. Acrylic, which is imported in sheet form only, is prominent in this field.

Imports from Canada Small

Imports of plastic raw materials from Canada, although they rank second in the official Venezuelan statistics, are dwarfed by the volume coming from the United States.

U.S. EXPORTS OF PLASTIC MATERIALS TO VENEZUELA 1955

Product	*Amount (lb.)*	*U.S. Dollars*
1. Styrene polymer and co-polymer resins	2,280,277	$481,530
2. Alkyd resins	1,420,482	319,945
3. Vinyl and vinyl co-polymer resins (uncompounded)	110,759	47,103
4. Vinyl and vinyl co-polymer resins (compounded)	352,247	115,951
5. Vinyl and vinyl co-polymer resins, semi-finished	33,449	30,391
6. Tar acid resins, powder, flake, lump, etc.	273,955	43,307
7. Urea formaldehyde, melamine formaldehyde, and other amine resins	524,933	119,966
8. Resins—unfinished and semi-finished	201,370	71,575
9. Film and sheeting, synthetic resins	862,113	657,283
10. Phenol and cresol formaldehyde laminated sheets	14,559	15,155
11. Laminated and moulded laminated plastics	302,155	233,373

Venezuelan statistics unfortunately do not show the individual plastic materials within the general categories of unmanufactured and semi-manufactured materials. Latest Venezuelan figures show imports of 297,674 kilograms of unspecified plastic materials from the United States, and from Canada (second on the list) 22,764 kilograms. The relative figures for semi-manufactured plastics are United States 447,488 and Canada 45,418; Germany places second in this group with exports of 102,476 kilograms. Because the United States is the main supplier in both groups, the details of U.S exports to Venezuela should serve to indicate the importance of specific synthetic resins imported.

Canadian statistics for 1955 show $110,813 worth of synthetic resin manufactures exported, $6,312 worth of polystyrene, and no synthetic resins. During the first six months of 1956, synthetic resins valued at $2,539.00 and plastic manufactures worth $82,481 were shipped from Canada. No polystyrene was shipped during this period. There is a quite emphatic increase in the already significant shipments of manufactured goods. Competition from Germany seems likely to be a limiting factor in this development; it supplies about four times the value of Canadian shipments of finished products.

To Expand Plastics Production

Because of graduated tariff protection, the structure of Venezuelan industry will probably remain more or less the same for the present; that is, quite a few small firms, most of them elaborating semi-manufactures, and some working polymers and co-polymers. Investment in these enterprises is steadying and already a few marginal firms have dropped out. The needs of these firms for raw materials will probably not change much.

Plans of several large U.S. firms to produce plastics in Venezuela indicate that a major change in the future structure of the industry is on the way. The General Tire Co. hopes to begin plastic production late this year at its new plant in Valencia. The first products will be vinyl asbestos tiles and polyurethane film. Reports indicate that other big companies are considering entry into the field. Plastics production is likely to expand rapidly, especially in materials for industrial use. However, it is unlikely, because of the U.S. connections of these plants, that Canadian exporters will find much greater opportunities to sell primary resins. Another development to watch is the intention of the government-sponsored Petrochemical Institute to produce plastic raw materials. Planning is still in the initial stages but it is probable that something concrete will be done within the next year or two.

—W. G. BRETT,
Assistant Commercial Secretary, Caracas.

Two Canadian-made "Otter" aircraft prepare to take off from one of the 18 feeder-line airports maintained by Philippine Air Lines. PAL hopes to step up the number of these airports to 33 and plans to use more "Otters" in reaching its objective of bringing air service to within 50 miles of nearly every Filipino in the course of the the next few years.

Canadian Planes Serve Philippines

TAKE ONE PLANE, built for service in rugged country. Add a smart sales campaign carried on by an alert agent, aided and abetted by the Trade Commissioner and the Canadian manufacturer. Result: success in a tough market. And the product? Canadian-made *Otter* aircraft, three of which are now flying "feeder" routes in the Philippines.

The story started three years ago with a general agent living in one of the Philippine provinces. This agent realized that the Canadian *Otter* was just the plane to use on "feeder" lines. These lines link the main air routes in the Philippines with the more remote towns and cities spread over twelve large islands and several thousand small ones. The *Otter* had an outstanding qualification for this particular job—for, although it can carry eleven passengers, it is airborne in 600 feet. This means it can take off from small, inexpensive runways which can be built in rural areas difficult of access either by land or water.

One of the difficulties which the agent had to face was the fact that Filipinos are accustomed to buying United States goods. A Canadian aircraft needed more selling. He enlisted the help of the Canadian Trade Commissioner in Manila who advised the agent about what people he should see and also made some calls on his behalf. For two years, the agent kept visiting prospects and distributing pamphlets about the plane and information on its performance. Finally he persuaded officials of the Philippine Air Lines to go to Canada, confer with the makers of the *Otter,* and learn more about its special qualities.

In January 1955, his persistence and that of the manufacturers paid off—the agent received an order for three *Otters.* They soon proved their worth. Today they serve 14 communities and bring their passengers in to Cebu, Cagayan, and Davao—all traffic centres on the main PAL 600-mile trunk route that connects the principal Philippine cities. In addition to spurring on rural development, the *Otters* have increased traffic on the regular DC-3 routes by feeding more people into their terminals. Two more planes were ordered this year.

PAL is so happy about these husky little planes that it is including them in its development plans. Although it expects to increase the number of trunk routes and of airports on its regular route, the feeder service that the *Otters* provide is not a mere stopgap that will disappear when larger aircraft and airports are available. PAL hopes also to step up the number of feeder airports to 33 and to use more Canadian *Otters* to bring air service within 50 miles of nearly every Filipino.

W. J. JENKINS, *Vice-Consul and Assistant Trade Commissioner, Manila.*

Foreign Tariffs and the Exporter--II

An important factor in determining tariffs is preferential arrangements, such as those which operate within the British Commonwealth. In this, the eighteenth article in our series on the techniques of export trade, the author discusses present tariff preferences. He also touches on customs unions, free trade areas, import and exchange restrictions, and other aspects of tariff legislation which concern the exporter.

H. V. JARRETT,
International Trade Relations Branch.

CANADA, as a partner in the British Commonwealth, enjoys tariff preferences for her products in many countries of the Commonwealth over similar products of non-Commonwealth origin. The preferential tariff system of the Commonwealth as now operating had its inception in 1898 when Canada granted reduced duties to imports from the United Kingdom. By 1907 all the self-governing Dominions had adopted preferences in favour of the United Kingdom. Before the First World War, the United Kingdom levied duties on only a very limited number of products but by 1919 had accepted the preferential principle by extending preferences to the whole Empire on such goods as were dutiable.

The year 1932 witnessed a notable expansion of intra-Imperial preferences. Included was the adoption by the United Kingdom of a new and comprehensive tariff on foreign goods, establishment of preferences in several British Colonies for the first time, and reciprocal trade agreements between various units of the Commonwealth concluded at the Imperial Economic Conference at Ottawa.

Preferences have since been modified and supplemented by subsequent negotiations among various members of the Commonwealth. Under arrangements at present in force, preferential rates of duty favouring Canadian products as compared with those of non-Commonwealth countries are provided for most articles imported into the following countries:

United Kingdom	Gambia
Australia	Sierra Leone
New Zealand	Somaliland Protectorate
Federation of Rhodesia and Nyasaland (preferences do not extend to the whole area)	Mauritius
	Seychelles
	St. Helena
	Malta
Ceylon	Cyprus
British West Indies (13 Colonies)	Fiji
	Western Samoa
Bermuda	British Solomon Islands
British Guiana	Gilbert and Ellice Islands
British Honduras	Tonga

In the following Commonwealth countries, the preferences enjoyed by Canada are restricted to a few items, in some cases because the tariff itself is of very limited scope:

Union of South Africa (including South-West Africa, Basutoland, Bechuanaland, and Swaziland)	Hong Kong
	Brunei
	Sarawak
	North Borneo
	Gibraltar
Federation of Malaya	Cayman Islands
Singapore	Falkland Islands

Some preferences are also accorded to Canada by the Republic of Ireland although that country is no longer a member of the Commonwealth.

For the first section of Mr. Jarrett's article on tariffs, see *Foreign Trade* of October 27, 1956.

The tariffs of the following parts of the Commonwealth do not give preferences to any Canadian products:

India	Zanzibar
Pakistan	Nigeria
British East Africa	Gold Coast

Preference Conditions

To obtain preference, Canadian goods must comply with certain specified conditions. The conditions are not standard and vary from country to country throughout the Commonwealth.

The prime condition in granting preferences is that a certain proportion of the material and labour entering into the product be of Canadian origin. A distinction is usually made between articles which are grown or produced in Canada and those which are manufactured in Canada. The former generally must be wholly of Canadian origin; the latter may contain anywhere from 25 to 75 per cent of Canadian material and labour (depending upon commodities and country). In most cases materials of other Commonwealth countries may be included to make up the required content but in Australia the prescribed content must be either Canadian or Australian. In Australia and New Zealand, there is a provision that goods that are *wholly manufactured* in Canada may contain basic raw materials, or certain specified partially processed materials, of non-Commonwealth origin in any proportion.

Another condition for obtaining preference is that the goods be consigned direct from Canada to the countries of import. This does not mean that they must be shipped from a Canadian port but that when they leave Canada, their final destination is the Commonwealth country to which they are being sent. If the goods are consigned first to a country not entitled to preference—to the United States, for example—and thence re-consigned to the Commonwealth country, the privilege of entry at preferential rates is lost.

Other Preferential Arrangements

A preferential agreement between the United States and Cuba has been in force since 1902. It was revised in 1934 and has been modified by GATT and by agreements made by Cuba with other countries. Under this arrangement the United States and Cuba grant each other exclusive preferences, consisting of percentage reductions from the minimum rate, on a wide range of products exchanged between the two countries.

An agreement between the United States and the Philippine Republic provides for the reciprocal granting of tariff preferences. These preferences, however, are to be eliminated gradually by annual reductions in the preferential margins and are due to be eliminated entirely by 1974.

France and her overseas territories have an extensive preferential system and preferences are also exchanged between Portugal and her colonies.

Customs Unions and Free Trade Areas

A customs union is an agreement which eliminates tariff barriers between two or more countries and in which the countries in the union have a common tariff against imports from the rest of the world. Each state in the union maintains its own sovereignty in all matters other than those affecting customs.

The most notable modern example of a customs union is that between Belgium, the Netherlands and Luxembourg, commonly called Benelux. There are others of lesser significance and a few more are in the process of formulation or under discussion.

A free trade area differs from a customs union in that the countries comprising the area, while removing, in whole or in part, tariff barriers against each other's products, do not have a common tariff on imports from other countries. There is a relationship of this kind between Chile and Peru and between El Salvador and Nicaragua.

Another type of arrangement is that illustrated by the European Coal and Steel Community. Members of this Community are France, West Germany, Italy, the Netherlands, Belgium and Luxembourg. They have agreed to establish among themselves a common market for coal, iron ore, steel and scrap by reducing duties on each other's imports and maintaining separate tariff rates on these products when imported from other countries.

Tariff Relations with Other Countries

Canada's tariff relations with countries outside the Commonwealth are governed by commercial agreements, trade treaties and some less formal arrangements in force between Canada and other countries and by the General Agreement on Tariffs and Trade (GATT). These arrangements unite Canada with all the major trading nations of the world and with most other countries, and protect trade from discrimination in the application of tariffs.

The chief feature of all these arrangements is that they provide for exchange of most-favoured-nation treatment among the parties to the agreement. This means that the contracting states agree that each party will accord to the goods of the other the benefit of the lowest duties applied to similar goods originating in any other country. There are exceptions to this rule. For example, there are provisions that the preferences

exchanged among members of the British Commonwealth may not be claimed by countries outside the Commonwealth. Similarly, preferences exchanged exclusively between the United States and Cuba, the United States and the Philippine Republic, France and her overseas possessions, and similar arrangements based on historical, political or geographical grounds are excepted from the application of the most-favoured-nation principle.

Canada signed the Protocol of Provisional Application of the General Agreement on Tariffs and Trade on October 30, 1947, and it went into force on January 1, 1948. GATT, as well as assuring most-favoured-nation treatment among the contracting parties, provides for scheduled tariff concessions and lays down rules and regulations to govern the conduct of international trade.

The first round of tariff negotiations at Geneva in 1947 involved more than one hundred pairs of negotiations between individual countries, the results of which were consolidated into a single comprehensive annex to the Agreement, divided into schedules. These schedules covered some 45,000 separate tariff items. Subsequent rounds of tariff negotiations at Annecy in 1949, at Torquay in 1950-51, and at Geneva in 1956 extended these concessions to many other items and have brought more countries within the orbit of the agreement, which at present comprises 35 contracting parties. The concessions negotiated on these occasions are to remain in force until January 1, 1958, and thereafter, unless modified in accordance with the terms of the Agreement.

Export Duties

Export duties are not of prime concern to exporters but are worth some mention because of their incidental interest and to complete the tariff picture. Most export duties are levied for revenue purposes and, since there is no desire to handicap exports unduly, they are usually very low. In some cases there may be a protective implication, when a country wishes to discourage the export of a product in short supply which is needed for domestic industry. Not many countries have gone into the export duty field. Export duties in most countries which employ them are levied on only a limited range of products, but one or two countries apply them to the generality of exports.

Import and Exchange Restrictions

Import restrictions are frequently used in place of, or in addition to, tariffs to regulate imports and therefore should be considered in any general study of tariff legislation. They are, indeed, a more exact method of control since by their use imports can be limited to certain predetermined amounts or can be excluded altogether if this is deemed desirable.

Quantitative restrictions or other similar forms of import control have been adopted in many countries. They began to be seriously used between the two wars and after the Second World War became widespread. They have been used chiefly in countries in balance-of-payments difficulties but have also been employed as a device for protecting home industries.

Import restrictions take many forms. Sometimes they are "global" quotas in which the amount to be imported from the world is fixed and the supplying countries compete for a share of the quota. In other cases individual quotas are established for each supplying country, with the amount usually based on proportions supplied in some previous period. These two methods may be combined by first setting up a global quota and then allocating shares of this quota to various countries. In still other instances, no quotas may be announced, and imports are regulated by licences which are issued to (or withheld from) individual importers on the merits of each application as it is presented.

Another form of limiting imports is exchange control, in which the restriction applies not to the goods themselves but to obtaining exchange to pay for them. The effect, of course, is the same as a restriction on imports since an exporter is seldom willing to sell goods for which he is paid in currency which he cannot use. In conjunction with this type of control, some countries classify imports into categories and provide funds at officially set rates of exchange for each category. The more favourable treatment is accorded to goods considered most necessary to the country's economy. The same effect is achieved in some other countries by levying exchange taxes at various rates in accordance with the essentiality of the product.

The General Agreement on Tariffs and Trade prohibits in principle the use of quota restrictions on imports. However, since it is recognized that, under present conditions, this ideal is not immediately attainable in every country, certain clearly defined exceptions are permitted. One of these is that products of a kind which are controlled internally, such as agricultural and fishery products, may be subjected to import control. Any such restrictions must be non-discriminatory—that is, applicable equally to imports from all countries. Another type of restriction permitted is that enforced temporarily to protect the foreign exchange reserves of a country or for balance-of-payments reasons. In this case discriminatory application of restrictions as between sources of supply may be employed. For example, countries in the sterling area and others similarly situated, because they need to conserve their dollar holdings, exercise stricter control against imports from dollar countries, such as Canada and the United States, than against non-dollar sources of supply.

A continuing effort is being made to reduce the burden of import restrictions and progress has been significant. In both the sterling area and in Europe the liberalization of dollar imports has opened up new opportunities for Canadian trade.

There are a few countries which impose few, if any, restrictions on imports, among them Canada and the United States. Some important Latin American and European markets, such as Cuba, Peru, Venezuela, Belgium, Switzerland, are also relatively free of import control.

It is important that Canadian exporters make sure before shipping abroad that their customers have fulfilled all the licensing requirements. If a licence is necessary, the customer usually informs the exporter of the licence number or, in some cases, sends him a copy of the licence itself.

Where to Obtain Tariff Information

The Canadian exporter who wishes information about tariffs and other measures relating to the import of goods into other countries may obtain it by writing to the International Trade Relations Branch, Department of Trade and Commerce, Ottawa. The Branch has on file as complete a collection of the tariffs of the world and of subsidiary legislation as it is possible to obtain. This is kept up-to-date by a constant supply of amendments received from Canadian commercial representatives in the field. It is supplemented by notices and news items appearing in official gazettes, trade papers, bank reports, and reference works and by similar material received from many sources. Translations of tariffs are supplied by the International Customs Tariffs Bureau at Brussels, an organization founded in 1890, to which all the major trading nations including Canada subscribe.

In requesting information about tariffs, the exporter should describe the product in as much detail as possible, with particular reference to its use and component materials. Samples of the products should, if practicable, be supplied. Illustrated catalogues or brochures describing it also help in determining tariff classifications. If the tariff classification is not clear, or cannot be easily determined from the information available, the Branch is in a position to request an official ruling from the customs officials of the country concerned, through the commercial representative. Assistance is also available to an exporter who, through some inadvertence, may find himself in difficulties with the customs authorities of another country.

Much practical assistance is also afforded to exporters by such organizations as the Canadian Manufacturers' Association, Canadian Exporters' Association, and Boards of Trade and Chambers of Commerce in the larger cities. ●

New Zealand Develops Electric Power

NEW ZEALAND is continuing to make steady progress in the development of her natural hydro-electric resources. Canadian manufacturers have participated in this growth by supplying much of the equipment for three hydro-electric projects since 1952. Altogether, Canadian firms have furnished turbines, generators and other electrical equipment worth over $4 million. New Zealand's development projects will undoubtedly offer further opportunities to Canadian contractors but these will continue to depend upon the dollar exchange position. Imports from the dollar area are still restricted but industrial machinery and equipment that is competitive in quality and price receives favourable consideration.

The Roxburgh power station, largest of fifteen built to date in New Zealand, has just been brought into operation. A combine of overseas firms which took over the installation work during the latter part of 1952 (joined later by a New Zealand firm) was able to complete it months ahead of schedule. This station, which includes a dam 1,200 feet long and 250 feet high, has been supplied with four Canadian-made 56,000 h.p. turbines. The spiral casings for these vertical-type turbines were made in sections in New Zealand to the Canadian manufacturer's design and specifications. The plan calls for eight penstocks 18 feet in diameter, about 190 feet long. These lead to vertical-type turbines which are in turn coupled to generators, each rated at 40,000 kilowatts at 11,000 volts. Four more turbines are to be added and, with the original four, will raise the station's capacity to a total of 320 thousand kw. This will more than double the amount of electric power available on the South Island.

Power boards and municipalities have been restive for some time under the enforced system of power restrictions. With the onus on it to meet the demand, the Government will continue to exploit the country's power resources. It has been urged to construct steam generating plants but the Ministry of Works has been firm in its stand that it takes just as long to set up these units as to harness waterpower. In addition, there is a shortage of fuel. Therefore, the emphasis will be on hydro-electric power development, mainly in the mountainous regions of the South Island. In the North Island, engineers will continue their efforts to harness geothermal steam in the active thermal region around Kawerau.

—JOHN MACNAUGHT,
Assistant Commercial Secretary, Wellington.

commodity notes

Argentina

WOOL—A record price of 300 pesos per ten kilos has been paid for a parcel of 28,000 kilos of new clip wool. Although this price was exceptional even for this year, prices in general are well above those of 1955-56. A reasonable comparison with last year can be drawn from the results of one sale involving 157 thousand kilos of fine crossbred wool from Corriedale sheep. This year, prices for dams' wool, lambs' wool and belly wool, at 260 pesos, 180 pesos and 94·40 pesos per ten kilos, were 63, 40 and 40 per cent above last year's.

The strong demand for wool, combined with an increase in clip which is provisionally estimated at 5-10 per cent over last year, makes the Argentine wool outlook the most attractive in several years—Buenos Aires, Oct. 12.

Australia

PLASTIC MATERIAL—A new £150 thousand factory, which will process several million yards of plastic material a year, will soon begin production at Moorabbin, a suburb of Melbourne. The factory is owned by a Dutch-Australian firm known as Plastalon Pty. Ltd., which claims to be the largest rainwear manufacturer in the southern hemisphere. The factory will be equipped with the latest high-frequency electronic welding machines—Melbourne, Oct. 29.

Chile

COPPER—The Copper Department of the Central Bank of Chile reports that copper production for August reached a peacetime record of 40,130 metric tons. This compares with first and second quarter monthly averages of 33,450 metric tons and 35,616 metric tons. The increase is attributed to intensified production as a direct result of the copper law passed last year, which provided improved exchange treatment for larger producers—Santiago, Oct. 15.

WOOD PRODUCTS—During the first six months of 1956, Chilean exports of wood products (including plywood, planks and boards) fell to US$3·1 million compared with US$11·9 million for the first six months of 1955. According to the Chilean Association of Wood Manufacturers, the decline resulted from a rise in export prices of these goods brought about by higher internal taxes related to exports and a new export duty. Comparisons between the two periods are, however, slightly misleading because in 1955 wood manufacturers enjoyed privileged rates of exchange; these rates have now been abolished. In May and June sales of wood products to Argentina increased but they have since fallen off. In 1950 and 1951 Chile made good sales of wood products to the United Kingdom but this market too has since disappeared—Santiago, Oct. 15.

Indonesia

METAL PIGMENTS—Though the metal pigment market in Indonesia is not large, there is a substantial demand for aluminum powder and paste. Main supplier is the Netherlands with lowest quotations (Rp. 8.50 a kilo c. and f. Djakarta), followed by Germany and the United Kingdom. Annual requirements of this commodity amount to 50 tons, with a strong preference for aluminum paste rather than powder, imports of which are gradually diminishing. There is also a limited demand for bronze powder, although to date this is said to be solely supplied by the United Kingdom—Djakarta, Oct. 18.

Jamaica

SUGAR—Because of shortfalls in sugar production in other Commonwealth countries, Jamaica has been able to dispose of the 92,000 tons of sugar carried over from last season. Up until the middle of this year the industry was faced with the prospect of having £3 million tied up in sugar stocks, for which additional storage facilities would have to be built. Sale of the carryover has wiped out this dreary prospect and enabled the Government to rescind the 12½ per cent cutback in acreage ordered last year—Kingston, Oct. 14.

New Zealand

MEAT—New Zealand meat exports during the season which ended on September 30th earned a record income from sales to the United Kingdom and other markets. Receipts will be well in advance of last

year's record total of £50 million. The past year was exceptional because of the heavy carryover from the 1954-55 season and substantially greater shipments of New Zealand's 1955-56 output. During the last season, 430 thousand tons of frozen and chilled meat were exported, 50,000 tons more than the whole of the 1954-55 season's frozen meat production for export, and 30,000 tons more than the actual 1955-56 season's output.

Future prospects for the meat industry are good. Approximately 60,000 tons of meat were still in store at the end of the 1954-55 season, but it is expected that final figures for the end of the 1955-56 season will show not much more than 30,000 tons in storage. Exporters hope to clear this remaining tonnage by the end of October—Wellington, Oct. 16.

Norway

ALUMINUM—A Norwegian aluminum company, A/S Aardal & Sunndal Verk, is developing a new source of hydro-electric power and expanding its plant to increase annual production by 150 per cent, or 36,000 tons. A new company in the north, Mosjøen Aluminium A/S, plans to start operations in 1958 with an initial production of 20,000 tons of aluminum a year, increasing later to 60,000 tons. Of the capital required for this project, one-third (kroner 150 million) is being provided by a Swiss company—Oslo, Oct. 19.

South Africa

GOLD—Production of gold has continued to rise, reaching a peak of 1,386,000 ounces in August valued at \$17·4 million, compared with £17·1 million in July. Total value of output for the eight months was £131 million, compared with £120·8 million last year and £106·4 million in the same period of 1954—Cape Town, Oct. 12.

CITRUS FRUIT—The latest estimate indicates a record export of 7·7 million cases of citrus fruit this year, an increase of 23 per cent over 1955. With more trees coming into bearing next year, the marketing problem will become more difficult—Cape Town, Oct. 12.

Turkey

FISHING AND FISH PROCESSING EQUIPMENT —In an effort to encourage exports of fisheries products, Turkey will permit 10 per cent of the foreign exchange obtained from the f.o.b. value of such exports to be allocated for imports of equipment for fishing, transportation, processing, etc., for the use of fishermen, processors and exporters. The Meat and Fish Office of Turkey will handle the special account at the Central Bank and allocate the equipment to be imported. It is reported that during 1955 the catch amounted to 111,523 metric tons of fresh and salt-water fish, of which 15,050 tons (f.o.b. value \$3·6 million) were exported (14,000 tons fresh or frozen). Greece, Italy and Rumania were the principal buyers—Athens, Oct. 16.

United States

SUGAR—Total 1956 maple sugar production in New England was approximately 6,027,000 pounds, 7 per cent less than the 1955 production of 6,487,000 pounds, and 5 per cent less than the 1945-54 average of 6,342,000 pounds—Boston, Oct. 24.

CHRISTMAS TREES—Woodland owners in four New England states are forming new organizations to improve production and marketing of their forest products, including Christmas trees. The State of Maine has organized a Maine Christmas Tree Association to develop grades for trees and to improve quality. The Association will also provide a medium for exchange of information on the subject. A similar association has also been established by Vermont and New Hampshire producers operating jointly. Woodland owners in Rhode Island have secured the services of a Connecticut forestry co-operative which will provide a forester in that state to supervise production and give marketing help—Boston, Oct. 24.

FISH STICKS, FISH BLOCKS—Eight plants on the Boston Fish Pier produced an estimated 2·5 million lb. of fillet blocks in 1955 for use in manufacturing fish sticks. However, this was only a very small part of the total raw material used—the bulk was imported from Canada. Six plants in the Greater Boston area produced fish sticks in 1955. All told, fish sticks were produced in 20 states by 52 plants, 15 of which were in Massachusetts.

In 1955 the industry operated at capacity for the first time and production totalled over 65 million lb., a 31 per cent increase over the previous year. By mid-year output caught up with demand and most producers revised peak capacity production schedules downward. Monthly production rates dropped from a peak of more than seven million lb. in March to an average of about five million lb. for the remainder of the year. Production of fish sticks in the first half of 1956 (at 27,916,200 lb.) was nearly 23 per cent less than the 36,053,200 lb. produced during the same period of 1955. Since late 1955, prices have been depressed and demand has declined on a falling market. Some of the foremost packers have adopted the new government standards of quality as a means of increasing consumer confidence—Boston, Oct. 24.

Canada at th

FROM A TO W—from antibiotics to washing machines—a long list of Canadian products made up the effective displays which drew visitors past the totem pole at the entrance to Canada's exhibition at the Comptoir Suisse, September 8-22. Canada was guest of honour and the only foreign exhibitor at this year's national Swiss fair in Lausanne, and the entire guest pavilion was at her disposal. The displays of manufactured products and handicrafts and the panels of photographs graphically describing Canada, its people, its industry and its resources were designed and co-ordinated by the Canadian Government Exhibition Commission. The results won enthusiastic praise from the fair authorities and the close to one million people who visited the pavilion. Some of the products exhibited are shown in the photographs on these pages. Others included:

Aircraft, air-conditioning equipment, asbestos

Bathing suits, books, brake linings, burners (oil), buttons

Cable (arc furnace and dredge), chairs (metal), chemicals (industrial and pharmaceutical), clothing, clutch facings (automotive), compressors (air), copper (electrolytic wire rod), cutlery.

Desks (steel), die-casting machines.

Engines (gasoline).

Fence controllers (electric), fish, flaxseed, freezers (home), fruits (canned).

Gin, gloves (rubber), grains, grass seed

Handicrafts, heaters (oil), hockey equipment

Instruments (electronic), ironers (electric).

Jewellery.

Lanterns, leather (calf and side upper), lighters (cigarette)

Macaroni, maple butter and syrup, milk (powdered and evapor ated), motors (small electric and outboard), mowers (power lawn).

Nickel.

omptoir Suisse

Oil-burning apparatus.
Pens (fountain), photographic equipment, pole line material.
Radiotelephones, ranges (electric), rapeseed (oil and meal), refrigerated display counters, ring mountings (jewellery), rubber (synthetic).
Separators (specific gravity), skates (ice), snowshoes, soups (canned), sprayers (paint), steel, stellite, stoves (portable camp), sweaters.
Telephone protective equipment, tobacco, towels and towelling, toys and dolls, taps (steam), typewriters.
Utensils (cooking).
Valves (pressure), vegetables (canned).
Wallpaper, whisky.

By the end of the fair, attendants in the Canadian pavilion estimated that they had received 435 serious inquiries from Swiss businessmen and buyers from other countries. A visitor from Bangkok, for example, was interested in the plywood boat; the die casting machine attracted buyers from London, Scandinavia and Italy; a businessman from Jidda felt that the pole line equipment could be sold in Arabia. Swiss engineers were interested in the electronic equipment and the torsion device for transmission cables; a Swiss buyer asked for information about the powdered milk on display, and a Lausanne department store requested samples of one dress manufacturer's spring collection. Many women visitors asked where they could buy fur coats, capes and stoles like those displayed. An importer was anxious to obtain the agency for some of the Canadian toys, and a building contractor asked about prices of and terms on the power tools, powdered cement, wheelbarrows, electric pump, and aluminum ladders and window frames. Many other inquiries, not detailed here, may bring worthwhile business to Canadians in coming months.

U.S. Furniture Trade Sets Fast Pace

Prospects for sales of Canadian dimension stock appear good . . . U.S. furniture industry expects increased sales by year-end despite mid-year slump . . . some opportunity for sales of Canadian furniture of high quality and good design.

R. F. RENWICK,
Consul and Trade Commissioner, Chicago.

MORE AND MORE AMERICAN HOUSEHOLDERS are seeking well-designed quality furniture, especially styles incorporating modern and traditional features with natural-wood finishes. This demand, in turn, means sales for Canadian suppliers of hardwood dimension stock and components and, to a lesser degree, of made-up quality furniture. It is interesting to note that buyers at the midsummer Chicago Home Furnishings Market held in June maintained orders for high-quality merchandise but cut orders for volume lines. Orders were down by 2 per cent in June compared with the same month of 1955. But despite a spring sales lull, by year's end retail furniture sales are likely to be 3 to 6 per cent above 1955 totals and this promises well for Canadian exporters. Another outstanding year for the U.S. furniture industry is likely.

Exporters of quality furniture and furniture components, however, should keep in mind the limited opportunities for imported furniture; the keen competition among companies and modest profit margins for U.S. furniture manufacturers; the shift in manufacturing to the South and West; the trend towards centralized furniture wholesaling in the Chicago area, and the importance to the industry of retail credit buying.

Opportunities for Imported Furniture

American manufacturers, because of the competition, strive to sell their goods to consumers at a little lower price than their competitors. There are signs that householders are becoming more interested in higher class merchandise. People with higher incomes and better education, or who have had opportunities for travel, are demanding better designs; the trend to more home entertainment is also a factor.

The modest but relatively stable market for quality furniture of good style has enabled foreign furniture manufacturers to participate modestly. Imports, however, are not important considering the total volume of furniture sales: they amounted to only $4·2 million in 1955. Canada's share last year totalled only $236 thousand, at a time when that of Italian producers reached $775 thousand, in spite of a 20 per cent duty. The Scandinavian countries taken together did well, with Denmark, Sweden and Norway sharing sales totalling more than one million dollars. Shipments from the United Kingdom amounted to $580 thousand and from France to $330 thousand. West Germany made smaller sales.

Competition Is Keen

The United States furniture industry is a big one, with retail sales approaching $3·5 billion a year. Although there are some 4,000 producers—hundreds of them small shops with a handful of workers—there are indications that the industry is becoming increasingly concentrated in fewer hands.

However, this process has a long way to go; according to a recent survey, 80 per cent of the production is carried out by firms with fewer than 500 employees. One company, the largest producer of upholstered furniture, with a sales volume of $76 million last year, accounts for only a fraction of one per cent of the total furniture trade. Another firm which leads in production of case goods (mostly dining and bedroom furniture), can count on an even smaller proportion of the market.

Industry Shifts South and West

Hourly wages account for 20 per cent to 25 per cent of the manufacturer's sales price. This factor, and ample timber supplies, attracted the furniture industry to the southern states fifty years ago and the trend has continued. North Carolina, the most important case-goods manufacturing area, ranked fifth in total production in 1950; today it is the most important, turning out over 12 per cent of all United States furniture. New York State ranks second, with slightly less than 10 per cent of the total; Illinois, Indiana, Michigan and Ohio are also important producing states. The

value of shipments from the midwest states amounts to 32 per cent of the United States total. Michigan, once a leading producer, retains eighth place because of its craftsmanship and leadership in style and design. California is the seventh most important area, despite high labour costs. West Coast manufacturers are close to their markets, enabling them to compete readily with eastern manufacturers who have to cope with higher shipping costs.

Shipping charges on a manufacturer's raw materials are important when it comes to locating a plant, although such costs are reduced if finished dimension stock and components are shipped. Because this method is followed, hardwood producers from as far away as the Maritime Provinces—with other Canadian exporters more centrally located—have sold their products to the United States industry. The increasing use of metal furniture (production up 7·7 per cent in 14 years) exerts pressure on plants to locate or remain near their main markets.

Chicago Main Furniture Market

Sales by manufacturers to dealers are largely by use of display models supplemented with illustrated brochures and catalogues and fabric swatches. Manufacturers govern production runs according to orders they receive; wholesalers and manufacturers do not carry large stocks of finished goods because of the huge floor space necessary and financing required.

Seventy per cent of the business done by the entire furniture industry is in the hands of manufacturers with permanent display or sales offices in Chicago. Twice a year, the Home Furnishings Market attracts dealers from all over the United States as well as buyers from Canada, Mexico, South America and Europe.

In January and again in June, about 22,000 buyers descend on the city. Most of them register at the American Furniture Mart and the Merchandise Mart, two great buildings located adjacent to Chicago's main business section, or at the Exhibitors Building, also located in Chicago's near-north side. These sites house permanent showrooms and sales offices of the manufacturers who turn out the bulk of the nation's furniture, bedding, floor coverings, radio-TV and other goods used in the home. Some dealers are interested in all the lines but furniture is the main attraction.

Twenty-five years ago the industry adopted the practice of holding four markets a year. For the past five years there has been a partial revival of this practice with shows held in April and October; the major markets, however, continue to be in January and June.

Markets serving mainly regional interests continue to thrive and some have grown in relative importance. These are located at High Point, North Carolina; Grand Rapids, Michigan; Jamestown, New York; San Francisco and Los Angeles in California, and Dallas, Texas. Last June, Grand Rapids furniture manufacturers also opened permanent displays in Chicago.

Credit Determines Sales

Retail furniture sales are traditionally made on credit; charge accounts and conditional sales contracts with 10 per cent down constitute about 90 per cent of the business. Any immediate substantial increase in furniture sales will be in direct proportion to the growth in instalment buying. Producers are fairly certain that the average family in the United States refurnishes its home once every 20 years and that furniture buying keeps pace with total consumer spending. Furniture manufacturers bank on the replacement market rather than on new home owners, who are likely already heavily taxed by credit payments and unforeseen extras. Although the number of new housing starts and marriages do influence the furniture market, their relationship to sales has not proved reliable enough for a manufacturer to base his production on these figures.

Setback Not Serious

A cutback in furniture orders amounting to 2 per cent below those for June 1955 was reported at the midsummer Chicago Home Furnishings Market. Furniture thus joins automobiles and home appliances as one of the spotty consumer durables that bears watching.

Retailers are refraining from buying as much as last season because their inventories are up 10 per cent in some cases. They also feel they don't need to place orders immediately as they usually expect and receive prompt shipment from the manufacturer. By the end of the year, retail sales should actually exceed last year's total although early spring retail sales were slower. Buyers were more cautious and selective than they have been in the past 15 years. Some manufacturers reported receiving only half the orders they took in June 1955.

Actually the setback was only slight considering the whole industry and production was at an all-time high in the first half of 1956. Unfilled and new orders were up 10 per cent over the first six months of last year, employees increased by 5 per cent, and payrolls rose 13 per cent. The dollar value of unfilled orders in the hands of manufacturers at the end of June was 8 per cent larger than at the end of May and 6 per cent above unfilled orders at the end of June last year. The United States furniture industry appears headed for an outstanding year despite a mid-season setback. ●

Israel Buys Drugs and Chemicals

Despite growing domestic industry and stiff competition from other suppliers, Canadian producers could increase sales to Israel of insecticide and pharmaceutical chemicals, plastic raw materials, and materials for the important domestic paint, varnish and lacquer industry.

C. SWIFT, *Office of the Commercial Secretary, Athens.*

LAST YEAR Canada's share of the Israeli chemical and pharmaceutical market more than doubled over 1954. However our sales of $152 thousand still represented only a little over 1 per cent of imports into Israel of these commodities, which reached a 1955 total of $14·4 million. Canadian producers, in fact, have only barely scratched the surface of this substantial and rapidly growing market.

This has been due partly to problems beyond our control. A scarcity of foreign exchange and an established pattern of trade has led Israel to purchase her main chemical and pharmaceutical requirements from West Germany under war reparations financing, from the United States with ICA funds, and from France, Belgium and the Netherlands under bilateral trade agreements.

Domestic Industry Developed

Moreover, development of the domestic chemical and pharmaceutical industry has made considerable progress. Government efforts have led to the construction of local plants which turn out a wide range of products for use by the domestic consumer, industry and foreign markets. Imported basic chemicals and bulk pharmaceuticals are widely used in these industries, as well as such indigenous materials as Negev phosphates, Dead Sea potash and other mineral salts. Foreign investment has been encouraged successfully by the Government's liberal investment law which has succeeded in attracting substantial amounts of foreign capital to participate in new and established enterprises.

Already the Israeli plants are doing some export trade. Last year sales abroad of chemicals, fertilizers and pharmaceuticals reached $2·9 million, a 25 per cent increase over the previous year. Acids led these sales, with a total value of I£1·4 million, followed by drugs (I£937 thousand), colours, colour materials and lacquers (I£536 thousand), penicillin and procaine penicillin (I£506 thousand), potassium chemical fertilizers, (I£484 thousand), phosphatic chemical fertilizers (I£460 thousand) and aniline dyes (I£310 thousand).

The main buyers were Turkey for colours and lacquers; Greece, Rumania and Turkey for penicillin; Greece, Turkey, Yugoslavia and Rumania for drugs and medicines; the Union of South Africa, the United Kingdom, Japan and Ceylon for potassium chemical fertilizers; and the U.S.S.R., Finland, France, the United Kingdom and Turkey for essential oils. Trade with the majority of these countries was conducted under bilateral clearing arrangements.

Imports Still Needed

Despite good progress in building up its own chemical and pharmaceutical industries, Israel will continue to import large quantities of chemical and pharmaceutical products.

Well over a hundred different types of basic chemicals, fertilizers, processed and bulk pharmaceuticals, for immediate use or for further processing by local industry, entered the Israeli market during 1955. The more important imports were:

CHEMICAL AND PHARMACEUTICAL IMPORTS

	Value in Is.£ (Is.£1·8=US$1)
Industrial Chemicals	
Aniline dyes	1,188,017
Alkylated aromatic hydrocarbons	822,532
Butane gas	779,953
Sodium carbonate	750,133
Sodium hydroxide (caustic soda)	680,627
Solvents, other, n.e.s.	612,791
Carbon black (except black aniline dyes)	564,844
Pigments, other, n.e.s.	424,892
Colour materials, colours, lacquers, n.e.s.	363,990
Colouring substances, dried, other, n.e.s.	262,768
Plasticizers	248,480
Calcium carbide	230,162
Lithopone	223,758
Citric acid	215,965
Enamel powder	210,078

	Value in Is. £ (Is.£1·8=US$1)
Glycerin (glycerol)	208,273
Minium (red lead)	160,089
Acetic acid	123,588
Sodium hydrosulphite	117,922
Chemicals, n.e.s.	3,941,055
Agricultural Chemicals	
Ammonium sulphate	4,366,432
Insecticides, n.e.s.	1,101,283
Nitrogenous chemical fertilizers	719,730
Pharmaceutical Products	
Proprietary drugs and medicines	1,975,508
Drugs, n.e.s.	1,982,856
Streptomycin	454,604
Tetracycline	239,045
Aureomycin	232,350

Canadian Opportunities

Last year Canada's shipments consisted mostly of penicillin, streptomycin, acetylene black, zinc oxide, synthetic resins and miscellaneous chemicals. Through active representation and competitive offers, Canadian suppliers could conceivably increase their share of this worthwhile market.

Israel has a single tariff structure and Canadian products are therefore on an equal footing with those of other supplying countries. Recently the Canadian Trade Commissioner's office in Athens has received requests from Israeli firms for Canadian sources of supply of industrial chemicals for the paint, varnish and lacquer industry; insecticide chemicals; pharmaceutical chemicals; and plastic raw materials. The Trade Commissioner's office in Athens would be pleased to assist in finding reliable and aggressive local representatives for Canadian firms interested in supplying part of Israel's chemical and pharmaceutical needs.

Christmas Trees for the South

Survey made by New Orleans office shows Canadian Christmas trees sell well in South, if shippers cater to the dealers' insistence upon uniform grades and sizes.

A. A. CARON, *Consul and Trade Commissioner, New Orleans.*

CANADIAN SHIPPERS OF CHRISTMAS TREES have a good market in the South despite the fact that snow seldom appears in this area. Each household has at least one tree and often two or more, and public places, hotels, stores and clubs are decorated with Christmas trees during the holiday season.

The majority of these trees are handled by produce wholesalers, who order Canadian trees directly from Canadian shippers or through United States brokers operating close to the Canadian-United States border. Canadian shippers should not forget, however, that a sizable number of trees are bought directly by service clubs such as the Rotary, Kiwanis, Optimist, etc., in several southern cities. Furthermore, civic governments in some cases buy directly from Canada; as an example, Canal Street, the main street of New Orleans, was decorated last year with Canadian Christmas trees bought by the City Administration.

The following sizes are used by the trade when ordering from Canadian and United States suppliers:

	Size
Special singles	12 feet or more
Regular singles	10-12 feet
Bundle of two's	8-10 feet
Bundle of three's	7- 9 feet
Bundle of four's	6- 8 feet
Bundle of five's	5- 7 feet
Bundle of sixes	4- 6 feet
Bundle of eight's	3- 5 feet
Bundle of table trees	1½-2½ feet

Note: One carload generally contains 500 bundles of various sizes.

This office has recently carried out an extensive survey of local importers, and the replies received indicate that the various parts of the South have different preferences about the origin, sizes and types of trees required. The following resumé shows, for example, that the Southeast is a better market for our exporters than the Southwest. The Mid-South (Arkansas, Louisiana and Mississippi) prefers spruce and buys chiefly in the United States because of the long rail haul. On the other hand, Texas and Oklahoma in the Southwest buy only fir trees grown in Washington, Oregon and British Columbia.

	Country of Origin		Preferences Sizes	Types
SOUTHEAST				
North and South Carolina	Canada	70%	5′-6′	Fir
	U.S.	30%	3′-5′	
Georgia	Canada	75%	5′-6′	Fir
	U.S.	25%	4′-8′	
Tennessee	Canada	70%	5′-6′	Fir
	U.S.	30%	7′-8′	Spruce
Florida	Canada	40%	5′-6′	Spruce
	U.S.	60%	7′-8′	
Alabama	Canada	65%	5′-6′	Spruce
	U.S.	35%		
MID-SOUTH				
Arkansas	U.S.		7′-8′	Fir
			5′-6′	Spruce
			3′-4	
Louisiana	Canada	22%	4′-5′	Spruce
	U.S.	78%	6′	
Mississippi	Canada	20%	4′-5′	Spruce
	U.S.	80%	7′-8′	
SOUTHWEST				
Oklahoma	Canada	20%	3′-5′	Fir
	U.S.	80%	5′-6′	
Texas	Canada	40%	5′-6′	Fir
	U.S.	60%	7′-8′	
			3′-4′	

The answers received from southern importers show that rail shipments are used exclusively for both Canadian and United States trees, because transportation by rail is more economical. Some importers mentioned that, in any event, it would be difficult to interest truckers in transporting trees from Canada to the South during the month of December.

Some British Columbia shippers are having remarkable success in the Southwest because they sell under a brand name Christmas trees that are well selected and of uniform quality only. Unfortunately, too many brokers mentioned that they would buy more Canadian trees if our exporters would provide more uniform grades and sizes. Thousands of trees are shipped each year to the Southern States which cannot be sold and there is no doubt that if our trees were better selected, it would mean savings for both shippers and receivers.

Local brokers contract for purchase from Canadian shippers from July to the middle of November, and deliveries are made during the first two weeks of December.

Delivered Prices

The delivered prices this year range from $3.25 to $4.65 per bundle, depending on quality and transportation costs. A bundle may contain one or more trees, depending on the size of each tree.

Canadian shippers could increase their already important sales in the South if they were more careful about supplying the types and sizes of trees required. In fact, they could sell their trees at a premium price on this market if they studied the dealers' preferences.

Canadian firms are invited to communicate with this office, Consul of Canada and Trade Commissioner, 215 International Trade Mart, New Orleans 12, Louisiana, for additional information and for the names of southern importers. ●

Peru Boosts Iron Ore Exports

HIGH-GRADE IRON ORE from Peru will soon begin pouring into U.S. eastern seaboard steel plants at an increasing rate. The Marcona Mining Company is ready to step up production 10 to 15 per cent at its open pit mine in southern Peru; target for this year is set at 2·7 million tons of ore, all marked for export. As a comparison, the output of ore from the vast Quebec-Labrador iron deposits was just under 8 million tons last year—roughly half of Canada's total production; 90 per cent of our ore was exported.

The tremendous scope of the developments associated with the Peruvian venture parallels the great investment in facilities necessary to move Canada's Quebec-Labrador ore. The company in Peru had to conquer a wilderness to start with, build a new port, and provide complete facilities for the hundreds of men on its payroll and their families. Included in development expenses are costs of housing and food, schooling for 600 children, complete medical and dental care, and recreational facilities. In addition the company had to build a plant to distil fresh water from the sea and set up its own air service to Lima from the port of San Juan.

The iron ore deposits are mined by the open-cut method and are located about 30 kilometres (18 miles) from the port. Moving the bulk ore is a difficult problem; so are the stripping of the overburden and disposing of waste. The ore is blasted loose for the big power shovels and heavy-duty trucks transport it to the mine crushers. From the stockpile, conveyors load the crushed ore into 55- to 60-ton truck trailers which take it to the storage, screening and sorting area at the port. Conveyors are also used to move the ore along the pier and onto the ships.

The company is carrying out an extensive exploration program and has built an experimental pilot plant for ore beneficiation. Recently the firm has started to acquire a fleet of ore carriers of 30 thousand tons capacity; the first ship of this type is already operating between San Juan and Baltimore. The company has a 30-year lease with Santa Corporation, a Peruvian Government entity, to which it pays a royalty of 6 per cent on the first million tons exported each year and 7 per cent on additional tonnage. Marcona must also supply ore to the Peruvian Chimbote steel plant when it begins operations.

—H. J. HORNE,
Commercial Secretary, Lima.

What Venezuelan Paint-Makers Buy

With the domestic paint industry growing and branch plants being established, Venezuelan market for imported paints and varnishes is shrinking. Canadian chemical and metal processors, however, should investigate demand for raw materials which industry buys from abroad.

F. B. CLARK, *Commercial Secretary, Caracas.*

VENEZUELAN PRODUCTION OF PAINTS AND VARNISHES continues to increase in volume and in variety; in fact, paint is now the most important product of the domestic chemical industry. Considerable private investment and a big share of the federal budget are spent on construction projects, and all of the new buildings finish the exterior with paint for appearance and preservation. Fortunately there is no smoke in this tropical country to darken the bright colours which are usually selected. Most of these exterior oil-base paints are sold on a discount for quality, without much advertising of various brands.

Effective sales promotion of interior finishes takes the form of free decoration manuals, professional advice on colour schemes, and substantial national advertising budgets which have successfully introduced the new easy-to-apply paints made with a synthetic rubber base. These are outpacing the paints in powder for mixing with water.

The steady development of the cabinet and furniture trade has improved the market for varnishes and lacquers. Most of the local plants now make these finishes.

Production Rises Steadily

The first paint factory was established in Venezuela in 1945 and produced 850 metric tons that year. Production did not improve significantly until 1950 when another plant opened; combined output for the year amounted to 3,000 tons. These domestic establishments required protection against imports and in 1952, when a revision of the trade agreement with the United States was under review, the duties on paints were raised. Distributors of big international paint companies in the United States which shared most of the market then urged their principals to consider branch plants in Venezuela. As a result, the domestic paint industry embarked on a production push to meet expanding requirements.

The domestic industry has expanded considerably since 1952, primarily because of successful branch plants. However, there is still enough business to keep the smaller independent producers at capacity production as a record number of new buildings accelerate the demand for paint. Well-known trademarks in the paint industry display the "Made in Venezuela" sign—Sherwin-Williams, Pittsburgh, and Montana, for example. Du Pont plans to have a factory in operation in 1957. There are also some local well-advertised trade names that represent Venezuelan paint firms associated with foreign interests through licensing agreements and a share in capital and management. The industry has a total capital investment of over $6 million, divided among the 12 paint factories in operation. Combined annual sales total $9 million. The following table gives the production growth for the various types of paints and varnishes made in Venezuela.

PRODUCTION OF PAINTS, ENAMELS AND VARNISHES

(in metric tons)

Year	*Oil Paints*	*Powder*	*Enamels*	*Others*	*Varnishes*	*Total*
1948	403	669	250	36	10	1,108
1949	328	836	216	67	11	1,231
1950	555	2,101	358	394	16	3,050
1951	984	1,862	402	421	26	3,267
1952	2,144	2,744	722	496	54	5,384
1953	3,201	3,350	1,072	1,216	222	7,767
1954	4,395	4,290	2,186	2,232	847	10,917
1955	5,329	4,034	2,451	2,474	1,523	11,837

Imports of processed paints are declining in proportion to the growth of local production under the protection

granted in 1952. Paints are a heavy substance and duties are assessed on gross weight, which includes the weight of container and case. The following rates have proved to be an effective form of protection for development of the national industry.

Tariff Item	Description	Rate per Gross Kg. Bolivars	dollars
371A	Paints in oil, paste, or liquid	1·50	0·45
371B	Varnishes	2·60	0·78
371C	Bituminous paints for ironwork	1·30	0·39
371E	Paint in powder	2·60	0·78
371F	Cellulose lacquers	3·90	1·17
372	Fine paints in flasks or tubes (liquid, solid, or paste form)	2·60	0·78
373	Paint for fabrics	2·60	0·78

Import Picture

Despite these high duties and domestic competition, imports have not yet been cut drastically. In 1955, the value of imported paints and varnishes reached $1,245,000. However, this is low in comparison with the peak year 1952, when imports exceeded $4 million. A good proportion of the foreign paints that still enter Venezuela are special types such as paint for plastic mixes, rust inhibitors, metal preservatives and marine paints. Particular brands for these varieties are well known in Venezuela and their proven performance warrants a higher retail price. It is practically impossible to interest an agent or distributor in introducing new lines of imported paints unless the brand has some exceptional features.

Primary Materials Needed

Canada was not a significant supplier of finished paints or varnishes to Venezuela even when the market depended entirely on imports; the United States and United Kingdom have always been the leaders. There is an opportunity, however, for Canadian chemical and metal processors to participate in the market for raw materials, most of which are imported. In order of importance, the following paint ingredients are bought from foreign suppliers: titanium white, carbon black, lithopone, ultramar blue, zinc white, and chromate green.

Imports of these items totalled $500 thousand in 1953, the last year when statistics were available for this classification. A conservative estimate of 1956 purchases of the same materials is $1·5 million, calculated on the additional capacity of plants in operation and new plant requirements. In addition to these specific components for paint preparations, there is a "non-specified" group in the import statistics for materials required that reached a value of $400 thousand in 1953. Business for exporters in this section for 1955 probably exceeded $1 million.

Although some of the branch plants buy their materials from their parent organizations, all of these companies say that they consider direct offers from foreign manufacturers as well as solicitations from resident agents. Whether a representative on a commission basis should be appointed depends on the volume of the particular material. The Commercial Secretary of the Canadian Embassy can provide a market report and also the names of recommended agents specializing in chemical sales. The paint manufacturers require samples for analysis, and they consider quality as much as price. Repeat business with favourable terms is the reward for the exporter who matches acceptable materials with competitive quotations.

Tours of Territory

K. F. NOBLE, Canadian Trade Commissioner in Johannesburg, South Africa, intends to visit the Orange Free State (with calls at Bloemfontein, Welkom, Harmony, Virginia, and Odenaalsrust), in mid-November.

R. W. BLAKE, Commercial Secretary in Melbourne, Australia, will visit Tasmania from December 10-19.

G. F. OSBALDESTON, Vice Consul and Assistant Trade Commissioner in São Paulo, Brazil, will visit Porto Alegre, Curitiba, Joinville, Blumenau, Florianopolis, and Paranagua for three weeks, beginning November 16th.

C. O. R. ROUSSEAU, Assistant Commercial Secretary in Mexico City, will visit the Mexican cities of Mazatlan, Culiacan, Los Mochis, Ciudad Obregon, Guaymas, and Hermosillo, and Baja California.

W. G. BRETT, Assistant Commercial Secretary in Caracas, Venezuela, will spend ten days in Maracaibo, beginning November 12th.

H. E. CAMPBELL, Trade Commissioner in Kingston, Jamaica, plans to visit the Bahamas from November 11-17.

Businessmen who would like these officers to undertake assignments for them in these areas should get in touch with them at their posts as soon as possible. Mr. Noble can be reached at his office in Johannesburg, Mr. Blake at Melbourne, Mr. Osbaldeston at São Paulo, Mr. Rousseau at Mexico City, Mr. Brett at Caracas, and Mr. Campbell at Kingston.

General notes

Chile

JAPANESE TRADE MISSION—A recent Japanese trade mission to Chile has offered to sell rolling stock to the State Railways on deferred payment terms or under barter agreement involving the exchange of raw materials. The delegates of the mission, which included representatives of nine of the principal Japanese manufacturers of railroad equipment, said that credit terms might be granted up to five years or longer. The mission pointed out that since 1945 Japan has exported 33 locomotives to Chile and 55 to Argentina, and 300 freight cars to Uruguay. The trade group, which has already visited Mexico, Brazil, Uruguay and Argentina, proceeded to Bolivia, Peru and other Latin American countries, continuing its study of this market.

In the early part of this year, the Chilean authorities accepted a financial advisory body's recommendation not to encourage new barter schemes—Santiago, Oct. 12.

Denmark

NEW APPLE VARIETIES SOUGHT—During the last five years Danish fruit growers have been experimenting with some 10,000 apple trees imported from the United States to find out which varieties will prove competitive in export markets. These experiments are the result of the decline in Danish apple exports. In 1955, apple exports were worth D.kr. 18·6 million, of which D.kr. 10 million was earned during the first six months of the year. In the first six months of 1956, the value of apple exports dropped to D.kr. 5 million.

Denmark's two leading export varieties, Graasten and Cox Orange (sold principally in the United Kingdom, Finland, and Sweden) have been unable to meet the competition. The seasonal bans on apple imports in several importing countries often last as late as November, and as Graasten is an early variety it cannot get a foothold in these markets. The Cox Orange variety is marketed at the right time but is small and colourless compared with Australian, New Zealand, and Italian apples—Copenhagen, Oct. 17.

DAIRY PRODUCTS PROMOTION—Up to February 1957, the Danish Butter Export Committee and the Danish Cheese Export Committee will arrange a number of shop demonstrations in the United Kingdom in co-operation with the Danish Agricultural Producers' Information Service in London. The demonstrations will begin in Edinburgh and Preston and other towns to be visited are Glasgow, Blackpool, Birmingham, Chester, Leeds, Southport, Middleborough and Sunderland.

Danish domestic science advisers will assist at the demonstrations and the lur-branded dairy products will be featured in shop windows and sold in the shops. Consumer information will be provided for British housewives.

Since the butter trade has been freed in the United Kingdom this lur-branded commodity can be included in the demonstrations and the Danish domestic science advisers will sell butter in casks or packaged in aluminum foil which is becoming increasingly popular in the British market—Copenhagen, Oct. 16.

Finland

BALANCE OF TRADE—Despite the seasonal increase in exports during July, the Finnish balance of trade remains unfavourable. Exports, which amounted to 19·6 billion marks, were practically at the same level as in July last year; the import figure rose to 18·5 billion marks from 14·3 billion marks in the same month last year. Trade in July thus resulted in an export surplus of 1·1 billion marks as against 5·3 billion in July 1955. During the first seven months of 1956 imports increased, compared with the same period last year, by 15 per cent to 111·4 billion marks. Exports dropped by 2 per cent to 90·4 billion marks, thereby creating a deficit of 21·0 billion marks (3·9 billion marks in the 1955 period). On the export side there is a noticeable trend from timber to products of the paper and cellulose industries, which accounted for 52·3 per cent of the total export value—Stockholm, Oct. 16.

India

TRACTORS—The Indian Government has approved a scheme for the progressive manufacture of tractors by a motor products company in Madras. The Indian firm will collaborate with its parent company

in the United Kingdom and with a prominent Canadian farm machinery manufacturer. Tractor parts, equal to 60 per cent of total cost of the finished machine, will be made in India by 1960. At present, the United States supplies most agricultural tractors and parts; value of imports reached Rs.21·3 million last year. Value of tractors and parts from the United Kingdom amounted to Rs.12·8 million; from Western Germany Rs.4·3 million, and from other sources Rs.1·5 million. The Government recently lifted its ban on the import of tractors below ten horsepower—New Delhi, Oct. 13.

South Africa

FOREIGN EXCHANGE RESERVES—The Union's reserves of gold and foreign exchange totalled £114·2 million at the end of September, compared with £114·0 million on the same date last year, in spite of a heavy import bill. Higher commodity exports and increased gold production helped to keep the balance at a satisfactory figure—Cape Town, Oct. 12.

MONETARY POLICY—At the end of July, deposits with commercial banks in the Union had reached the second highest figure on record, while loans and advances had fallen, contrary to the trend in the past few years. The cost of living continued to rise but at a slower rate—Cape Town, Oct. 12.

Sweden

IRON ORE HANDLING—New transport installations for iron ore have raised loading capacity to 4,000 tons an hour in Narvik, Norway, which now becomes the world's leading iron ore shipping centre. An intricate system of conveyor belts makes it possible to direct ore from the crushers to any point in the vast storage area on the quay. Four giant cranes, capable of picking up 17·5 tons at a lift, load the ore onto nearby conveyor belts; these run from the storage area along the docks into the holds of waiting ships. The new system raises the loading capacity of Narvik harbour 30 per cent, with no increase in the number of employees. New installations on Sweden's east coast will replace the ore harbour at Lulea and boost capacity to five million tons of ore a year. The new harbour at Sandoklubb, scheduled for completion in 1961, will take in carriers up to 32,000 tons capacity—Stockholm, Oct. 21.

Turkey

OLIVE CULTURE—The first congress to study the problems of the olive industry in Turkey was held in Izmir recently. Among the projects the experts discussed was a country-wide plan for grafting the millions of wild olive trees in Turkey. They considered ways and means for increasing the present annual production of 80,000 metric tons of olive oil to 300 thousand tons. The urgently needed modernization of the olive oil industry did not escape attention—Athens, Oct. 18.

United States

RETAIL SALES—Figures published recently show that, despite the trend to suburban living, metropolitan areas seem to be holding their own in retail sales. A survey of retail sales between 1948 and 1954 showed a nation-wide increase of 32 per cent, and the metropolitan areas rang up an increase of 32·9 per cent. The 168 standard metroplitan areas account for almost two-thirds of total retail sales; in 1954, out of a national total of some $170 billion in retail sales, the metropolitan areas accounted for about $110 billion—New York, Oct. 22.

FISHING FLEET REDUCED—At the end of 1955 the entire Boston fishing fleet comprised 31 large, 24 medium, and 14 small otter trawlers, and 11 small-line trawlers. The 1954 fleet was 34 large, 27 medium, 16 small otter trawlers, and 11 small-line trawlers. During 1955, three large trawlers left the Boston fleet, one for another U.S. port and two were sold to Canadian interests. The reduction in medium and small trawlers was due to shifting of ports and changes of ownership. Fewer small-line trawlers operated in 1955—Boston, Oct. 24.

CANADIAN BREWERY IN MASSACHUSETTS—The Carling Brewing Company, subsidiary of Canadian Breweries Limited, opened a new $24 million plant in Natick, Massachusetts, in May 1956. The plant is capable of producing 600 thousand barrels of beer and ale a year. It will supply Carling's products to all of the New England States, New York, New Jersey and parts of Delaware and Pennsylvania. More than 200 people will be employed in the plant and the sales force will number about 500—Boston, Oct. 23.

West Germany

SHARE COMPANIES—It has been estimated by *Handelsblatt*, one of the leading business journals in West Germany, that there are now 2,633 share companies in the Federal Republic. They have outstanding a share capital equivalent to $5,250 million. The shares of 2,566 of these companies are quoted in Deutsche marks. Some 81 per cent of the total DM-share capital is held by companies with a capital exceeding $2·4 million each—Bonn, Oct. 17.

Surinam Buys Dollar Goods

Demand for goods which Canada can furnish, a good supply of dollars, and few import restrictions make Surinam a market that deserves more intensive cultivation by Canadian exporters than it has so far received.

D. B. LAUGHTON, *Trade Commissioner, Port-of-Spain.*

SURINAM, situated on the north coast of South America between British and French Guiana, lies slightly off the main travel routes and Canadian businessmen seldom visit it. This may explain why Canadian sales to Surinam reached only $600 thousand (Canadian) in 1954 compared with U.S. sales of $11 million. Altogether, this territory with a population of only one-quarter million bought $29 million worth of goods in 1954.

Dollar Earnings High

One of the encouraging features about doing business with this small country is that it has a favourable balance of trade both on total current account and with dollar countries. In 1954 exports reached Sf.*52·2 million, which was Sf.3 million more than the total cost of imports. That year the country spent only Sf.21 million in North America although it earned twice that amount from sales to North America. Bauxite accounts for 90 per cent of Surinam's exports and goes almost entirely to the United States and Canada. The remaining 10 per cent of exports is made up of timber and plywood, rice, coconuts, citrus and coffee.

Although Surinam's exchange position is sound, the authorities maintain control over imports through a licensing system. Any officially-registered importer will be granted, against a pro forma invoice, a licence which authorizes the purchase of currency and permits entry of the merchandise. The terms of payment are not regulated and provision is made for price and exchange fluctuations. Importers who fail to honour sight or time drafts within one month of their due date are blacklisted and can be denied import licences for six months. A shipper may re-export goods which are not paid for or have them sold at public auction.

There is no restriction on dollar imports but entry of the following articles is prohibited regardless of the country of origin:

Alimentary pastes
Fresh vegetables
Rice
Timber and cut lumber
Steel furniture (hotel, theatre, hospital, office furniture excepted)
Doors and window frames
Gems and precious metals

In addition there are various quantitative quotas on imports from any source of fresh frozen meat, wheat, sugar, coconut oil, cigarettes, ladies' lingerie, footwear and wooden furniture.

U.S. Is Principal Supplier

The United States was the source of 40 per cent of Surinam's imports in 1954, followed by the Netherlands with 30 per cent, other European countries (including Britain) with 15 per cent, and British West Indies with 10 per cent. Canada's share of imports was valued at Sf.1·1 million, or about 2 per cent of the total. Flour was the major item. In 1955, according to Canadian figures, our sales to Surinam totalled $971,226, and in the first half of 1956, $533,535.

Surinam has been spending the equivalent of $7 million a year annually for imports of foodstuffs, animal feeds, beverages and tobacco from all sources. Many of the commodities imported—such as salt fish, sardines, flour, potatoes, split peas, beer and tobacco—are traditional Canadian exports to the Caribbean, yet we obtained a mere 5 per cent of the trade in these categories. In addition to foodstuffs, Surinam imported in 1954 $4·5 million of raw materials for industry, of which petroleum products were the most important.

The major import category was manufactured articles and this includes a great variety of products. Among those which might be interesting to Canadian exporters were: paints and varnishes ($253,000), detergents ($115,000), drugs ($366,000), leather footwear ($190,000), natural and artificial silk piece goods ($850,000), cotton piece goods ($1,000,000), various textile manufactures ($326,000), clothing ($365,000), paper ($207,000), refrigerators ($185,000), electrical materials ($593,000), and explosives ($381,000). As a general criterion, price appears to be more

*Surinam florins.

important than either style or quality in obtaining a share of the market.

Canadian Exporters Should Be Represented

Demand is growing in Surinam for a variety of low-priced consumer goods and also for foodstuffs. There is a direct shipping connection with Canadian East Coast ports, there is no shortage of dollars, and the few import restrictions apply to all countries, without preference or discrimination. These trading conditions are too rare to be overlooked even if the market is small. Certainly the far-seeing Canadian exporter should make sure that one of Surinam's active agents is regularly offering his lines.

trade and tariff regulations

Antigua

LICENSING ANNOUNCEMENT The Administrator of Antigua confirmed on October 3rd that the following products may be imported into the Colony under World Open General Licence: apples, leaf tobacco, chemical fertilizers, calcium carbide.

The conditions for entry under the World Open General Licence are that the goods shall be wholly produced in the countries from which they are exported, that the importer shall be required to produce a certificate of origin for such goods, and that prior approval of the Financial Secretary shall be obtained for any payment for imports required to be made to a country other than the country of origin of the goods.

Argentina

IMPORTS OF ROAD MACHINERY AND TRACTORS The Central Bank of Argentina has announced that, effective immediately, certain types of heavy machinery and tractors for use on road construction only may be imported at the free market rate of exchange from any source without need of import permits. Lists will be published shortly of machines which may not be imported, and also of those which will be subject to prior certification from the Ministry of Commerce and Industry and the National Roadworks Administration before customs despatch—Buenos Aires, Sept. 26.

Austria

MORE DOLLAR IMPORTS LIBERALIZED Effective October 15, Austria liberalized a long list of imports from Canada and from the United States. This measure expands considerably the list of liberalized dollar imports which came into force in July 1955. Import permits are granted freely without quantitative or currency restrictions for the listed goods.

Among the liberalized products are some of Canada's major exports to Austria, such as synthetic rubber, synthetic resins and crude non-ferrous metals. Many other raw materials and machinery items and some consumer goods were also freed. However, grains, clover and grass seeds are among the products which remain subject to import control.

The list of liberalized dollar imports contains the following products which appear to be of interest to Canadian exporters. Certificates of origin are required for some of these products, and this fact is indicated by the letter (C) against the items concerned:

Synthetic rubber
Non-ferrous base metals and alloys thereof, crude; base metal scrap, slag, dross and other residues (C) (only vanadium was liberalized in 1955)
Nickel anodes
Dried fruit; fruit pulp (C)
Vegetable wax, crude
Smoked salmon (C)
Caviar and caviar substitutes (C)
Canned peaches, grapefruit and pineapples
Vegetable juices excluding tomato juice; cocktail onions
Metal ores, treated or not (only lead ore was liberalized in 1955)
Bleaching earths, broken up by means of acid
Fuel oil
Paraffin wax
Coal tar, coal-tar pitch

Pressboard and glazed paper boards; vulcanized fibre in flexible boards over four millimetres in thickness; other hard boards (C)
Pneumatc tires weighing over 100 kilograms
Inner tubes
Raw hides and skins, including raw fur skins (C)
Leather, except cattle hide and horsehide leather tanned like sole leather (C)
Small boards of cedar for the manufacture of pencils
Round, rough hewn wood and building timber of leaf trees other than red beech
Ice hockey sticks
Saccharine and other artificial sweetening substances
Synthetic resins, crude, including polystyrene, polyethylene, polyvinyl resins, etc.; crude cellulose acetate
Unexposed X-ray films
Scrap and waste of iron and steel; foundry pig iron
Ferro-alloys, except ferro-silicon with a silicon content between 31 and 87 per cent (only ferro-chromium was liberalized in 1955)
Iron in ingots, blocks, flat bars and billets, roughed down (C)
Iron sheets and plates (only tinplate was liberalized in 1955)
Oil and fuel filters; filter parts
Refrigeration counters and refrigerators with a content of 200 litres and more
Gold-plated nibs for fountain pens
Outboard motors
Agricultural tractors between 40 and 50 h.p.
Various agricultural machinery and apparatus, including mowing machines, sowing machines, self-propelled combines, disc harrows with 24 discs or more, etc.
Many types of industrial machinery
Generators; certain electro-motors; light installations for motor vehicles; welding machines
Fixed transformers weighing 500 kilograms or more; rotary transformers
Apparatus for telegraphy; teleprinters and parts thereof; mine safety telephones; mine signalling installations.
Television transmitters; certain wireless telegraphy transmitters; telegraphy navigation apparatus; dictaphones; letter-addressing apparatus
Certain electricity measuring apparatus
Electronic tubes for transmitting, rectifying and amplifying, over 150 grams; X-ray tubes
Electric shavers; certain electric heaters; dishwashing machines; heaters for motor vehicles; toasters
Electric carbons, except electrodes weighing over 25 kilograms
Finished parts of motor vehicles and bodywork (new passenger automobiles were liberalized in 1955)
Certain finished parts of engines for motor vehicles
Crude silver and platinum; scrap of these metals
Typewriters, calculating machines and bookkeeping machines, also with electric equipment; spares and parts of these machines (C)
Cash registers with multi-counting works; punched card machines; varitypers; spares of these machines
Phosphoric acid, liquid; sulphuric acid; nitric acid; hydrochloric acid; citric acid (C); lactic acid
Methyl alcohol, crude; methyl alcohol, pure; acetone; carbon tetrachloride; butyl acetate; amyl alcohol
Certain toys
Books and printed matter
Oil cakes, except linseed oil cakes.

Information concerning particular items on the Austrian list of liberalized dollar imports may be obtained from the International Trade Relations Branch of the Department.

Bermuda

LICENSING ANNOUNCEMENT—Bermuda has announced a measure of dollar trade liberalization to take effect December 1, 1956. The number of items which will continue to be prohibited from dollar countries as of that date has been considerably reduced. The revised list of goods which cannot be imported from dollar countries is as follows:

Ale
Beer
Auto-cycle and bicycle accessories
Auto-cycle and bicycle propulsion units
Automobile accessories
Automobile spares (except for Canadian and American vehicles, the specific import of which has been permitted)
Blankets, woollen
Bricks, ventilating (clay and metal)
Cameras (except Polaroid, cameras taking third dimensional slides, and professional Graflex cameras)
Carpets and rugs (i.e. woollen, jute, mohair and wool pile fabrics)
Cement
China
Concrete mixers
Comic books and comic magazines
Corkboard
Earthenware
Elevators*
Fireworks
Juke boxes
Lead cable, electrical
Linen goods (except linen clothing)
Luggage, leather and fibre
Matches (except book matches)
Motor vehicles*
Nails, galvanized, all types
Perfume (except cologne and toilet water)
Pipe, asbestos
Radio receiving and television sets
Rope
Sheeting asbestos (plain and corrugated)
Suitcases, leather and fibre
Toys, costing over $5.00 per dozen (42¢ each)

The Commission will also be prepared to consider all applications for imports of water trucks.

*In cases where special circumstances exist, the Commission will consider other imports on their merits, following written application by the importers with full supporting particulars.

British Honduras

LICENSING ANNOUNCEMENT—The Acting Financial Secretary, British Honduras, advised importers on August 31st that licences will be granted for import from hard currency sources of a limited amount of the goods listed below:

Eggs; vegetables, fresh and canned; margarine; fruits, fresh, dried, canned and crystallized; cereals; roasted coffee; flavouring essences; hams and bacons; baby foods; prepared foods; nuts and confectionery; cotton and rayon piece goods; cotton or artificial silk underwear; shirts; hosiery; hats and caps; handkerchiefs; neck and bow ties; leather belts; babies' and children's clothing; stoves; refrigerators; cotton towels; blankets; sheets and pillow

cases; crockery; glassware and enamelware; paints; turpentine; machetes; screening materials; dry batteries; wax and cellophane paper; plastic sheeting; rubber sheeting; toys; optical supplies; school bags.

The conditions are that the goods must arrive in the Colony and be paid for not later than December 31, 1956, and that licences will not be extended after December 31, 1956, except in the case of goods for which full remittance (c.i.f. value) was made on or before that date.

Applications for goods other than those listed above may be submitted for consideration.

Egypt

IMPORT RESTRICTIONS RELAXED—The Egyptian Ministry of Finance, according to cabled advice received from the Canadian Commercial Secretary in Cairo, has recently announced new import regulations.

Under the revised regulations, provision is made for an increase in the issue of import permits on Canada for medicines, agricultural machines, newsprint and other essential commodities.

Further details regarding these relaxations will be published when received.

Turkey

NEW RATES OF EXCHANGE ANNOUNCED—New rates of exchange were announced in the *Official Gazette* of Turkey on October 7, 1956. The new rates were introduced to encourage tourism and to provide the necessary foreign exchange for the import of much needed items, including spare parts for machinery and automobiles. These new rates are also applicable to Turkish residents wishing to travel abroad.

Under this new legislation, the rates apply to foreign exchange funds held abroad and belonging to Turkish residents wishing to import them into the country, or foreign exchange earnings obtained from certain Turkish exports. The foreign exchange purchased at the new rates may be sold to industrial concerns or individuals for the purchase of essential items, as mentioned above.

Agencies authorized to buy or sell foreign exchange at the new rates include most of the Turkish and foreign banks operating in Turkey, as well as the American Express Company and a number of tourist hotels.

The following new rates, although still considerably lower than the unofficial bazaar quotations, are almost double the official rate (T£ or lira 2.80 to U.S. \$1 or 2.87 to Can. \$1): Canadian dollar—purchase, 5.40 liras, selling, 5.91 liras; U.S. dollar—purchase, 5.25 liras, selling, 5.75 liras.

United States

TARIFF ON WOOLLEN FABRICS INCREASED—By Presidential proclamation of September 28, 1956, quotas have been imposed on the amount of imported woollen fabrics which may enter the U.S. at the rates of duty which have hitherto been in force.

For the period from October 1 to the end of 1956, a quota of 3½ million pounds of such fabrics may enter at the regular rates of duty; all imports in excess of this amount will be subject to substantially higher rates.

Following December 31, 1956, until otherwise proclaimed, the annual quota admissible at the reduced tariff rates will be 5 per cent of the annual average production in the United States during the three immediately preceding calendar years, and imports in excess of the quota will be dutiable at the increased rates.

The tariff items involved, with the quota and ex quota rates are:

Tariff Par. No.		Quota Rates	Ex Quota Rates
1108	Woven fabrics, weighing not more than four ounces per square yard, wholly or in chief value of wool, regardless of value:		
	If the warp is wholly of cotton or other vegetable fibre ....per lb.	30¢	30¢
	and ad val.	25%	45%
	Other ....per lb.	37½¢	37½¢
	and ad val.	25%	45%
1109 (a)	Woven fabrics, weighing more than four ounces per square yard, wholly or in chief value of wool, regardless of value ....per lb.	37½¢	37½¢
	and ad val.	25%	45%

NEW CUSTOMS VALUATION LAW—The Customs Simplification Act of 1956, approved by the President on August 2nd, contained a far-reaching revision of the United States law on the customs valuation of imported goods (see *Foreign Trade,* issue of August 18th). The new law will make "Export Value" the first basis for levying ad valorem duties on imports. "Export Value" is defined briefly as the price at which the goods undergoing appraisement are sold or offered for sale to the United States importers who buy in the usual wholesale quantities for industrial use or for resale otherwise than at retail.

Before bringing this revision into force, however, the Treasury Department is required by the Act to publish a list of articles which, based on their appraisal performance in 1954, will not be granted the benefits of the new valuation law but which will continue to be appraised on the old basis of valuation. Reports from Washington now indicate that the work

entailed in preparing this special list is so onerous that no publication date can yet be given.

Meanwhile, imports into the United States continue to be appraised in accordance with the current law.

Canadian exporters encountering difficulties with the existing U.S. valuation law are invited to communicate with the Department of Trade and Commerce in Ottawa.

U.S. CUSTOMS APPRAISER VISITS CANADA—Exporters in Western Canada who have encountered appraisal difficulties when shipping goods to the United States will have an opportunity to discuss their customs problems with a United States Customs Appraiser. Mr. E. J. Cannon, of the port of Buffalo, has been authorized since last May by the U.S. Commissioner of Customs to accept invitations from Canadian manufacturers and their associations to visit Canada and to be available for discussion and investigation of customs problems encountered by exporters to the United States. Mr. Cannon is now on a tour of western Canada and will be available at the local office of the Canadian Manufacturers Association in the following cities on the dates shown. Any exporter seeking official clarification or solution of a particular customs problem may make an appointment with him through the manager of the CMA office in these cities.

CALGARY —Nov. 12 and 13
VANCOUVER—Nov. 15 to 23
VICTORIA —Nov. 24
EDMONTON —Nov. 27 and 28

Venezuela

TRADE AGREEMENT WITH CANADA EXTENDED—The Commercial Modus Vivendi between Canada and Venezuela has been renewed for another year from October 11, 1956. Under this trade agreement originally signed in 1951, Canada and Venezuela exchange full most-favoured-nation treatment with regard to customs charges and other related matters. As a result, Canadian goods on their export to Venezuela will continue to receive as favourable treatment as exports from any other country. Venezuelan products are accorded most-favoured-nation customs treatment on their import into Canada.

In 1955 Venezuela was Canada's largest trading partner in Latin America with total exports to Venezuela of $30 million and imports from Venezuela of $187 million. Venezuela is an important dollar market with no exchange restrictions and import controls affecting only a few products. Total imports into Venezuela from all countries reached $883 million in 1955.

Coming to Canada on Business

THE INFORMATION about foreign business visitors given here is, to the best of our knowledge, accurate at the time of going to press. We cannot, however, accept responsibility for any changes in itineraries nor for cancellation of plans. This information is published as a service and in no way represents sponsorship or selection by the Department of Trade and Commerce. We cannot undertake to enter into correspondence about these visitors.

▶ from India

A. D. GANDHI, partner of M. S. Gandhisons, Gandhi Building, Samuel Street, Bombay 3, is interested in contacting Canadian firms that import black pepper, ginger, cardamoms, and other spices exported by India. Mr. Gandhi arrived in Montreal on November 4. Interested businessmen are asked to get in touch with R. Alex Khan, Commercial Secretary, Office of the High Commissioner for India, 200 Maclaren Street, Ottawa 4, Ontario.

▶ from Israel

JOSEF DZIALOSYNSKI, representing the Lasta Elastic and Laces Company, is expected to arrive in Canada from the United States about the end of December. Purpose of his visit to America is to purchase machinery and raw materials for the factory in Israel. His address in Canada will be c/o Mr. A. Yagodnik, 5429 Park Avenue, Montreal, Quebec.

▶ from the United Kingdom

S. S. STEELE and A. A. STEELE, directors of the Hollow Seal Glass Co. Ltd., Stanford Road, London, N.1, will investigate the market for direct sales of their company's "Holloseal" thermal insulation units. The units are used for composite wall cladding, or as dual glazing units for windows in stores, hospitals, schools, laboratories, and factories where closely controlled surrounding temperatures are required. Itinerary is as follows: Toronto, Nov. 12 to Nov. 17; Montreal, from Nov. 19. Canadian businessmen who would like to meet these visitors should make arrangements with the United Kingdom Trade Commissioner in Toronto or in Montreal.

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1·02926.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent Oct. 26	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Official	·05398	18·53	(1)
		Free	·03031	32·99	
Austria	Schilling		·03737	26·76	
Australia	Pound		2·1645	·46	
Belgium, Belgian Empire and Luxembourg	Franc		·01953	51·20	
Bolivia	Boliviano	Official	·005113	195·57	
British West Indies	Dollar		·5637	1·77	(2)
	Pound		2·7056	·3696	(3)
	Dollar	British Honduras	·6764	1·482	
Brazil	Cruzeiro	Effective selling*			
		*Category I	·0149	66·79	*Oct. 12
		Category II	1·036	96·46	(4)
		Category III	·0072	138·17	
		Official buying	·0532	18·80	(5)
Burma	Kyat		·2040	4·90	
Ceylon	Rupee		·2029	4·93	
Chile	Peso	Free	·001932	517·60	(15)
Colombia	Peso	Basic	·3886	2·57	(7)
		Free*	·1983	5·04	*Oct. 25
Costa Rica	Colon	Official	·1730	5·78	
		Controlled free	·1464	6·83	
Cuba	Peso		·9716	1·02926	tax 2% (4)
Czechoslovakia	Koruna		·1349	7·412	
Denmark	Krone		·1407	7·11	
Dominican Republic	Peso		·9716	1·02926	
Ecuador	Sucre	Official	·06477	15·44	
		Free	·05031	19·88	
Egypt	Pound	Official	2·7899	·358	(6)
El Salvador	Colon		·3886	2·57	
Fiji	Pound		2·4375	·410	
Finland	Markka		·004224	236·74	
France, Monaco and North Africa	Franc		·002776	360·02	(8)
French Colonies in Africa	Franc		·005552	180·11	(9)
French Pacific	Franc		·01527	65·49	(10)
Germany	D Mark		·2317	4·32	
Greece	Drachma		·03238	30·88	
Guatemala	Quetzal		·9716	1·02926	
Haiti	Gourde		·1943	5·15	
Honduras	Lempira		·4858	2·06	
Hong Kong	Dollar	Free*	·1573	6·356	*12 Oct.
		Official	·1691	5·91	
Iceland	Krona	Official	·05966	16·76	
		Special selling	·0348	28·70	(11)
India	Rupee		·2029	4·93	
Indonesia	Rupiah	Basic	·08556	11·69	(12)
Iran	Rial	Certificate	·128	77·97	
Iraq	Dinar		2·7204	·367	
Ireland	Pound		2·7056	·3696	
Israel	Pound		·5398	1·85	
Italy	Lira		·00156	641·02	
Japan	Yen		·0027	370·37	

* Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent Oct. 26	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	·3031	3·30	
Mexico	Peso		·07773	12·87	
Netherlands	Florin		·2540	3·94	
Netherlands Antilles	Florin		·5118	1·95	
New Zealand	Pound		2·7056	·3696	
Nicaragua	Cordoba	Effective buying	·1472	6·79	
		Official selling	·138	7·26	
Norway	Krone		·1360	7·35	
Pakistan	Rupee		·2029	4·93	
Panama	Balboa		·9716	1·02926	
Paraguay	Guarani	Official	·01619	61·766	(6) (13)
Peru	Sol	Certificate	·05113	19·55	
Philippines	Peso		·4858	2·05	
Portugal & Colonies	Escudo		·03391	29·49	(14)
Singapore & Malaya	Straits dollar		·3157	3·17	
Spain & Dependencies	Peseta	Basic buying	·04436	22·54	(6)
		Basic commercial selling	·0591	16·90	
		Free	·02494	40·10	
Sweden	Krona		·1878	5·32	
Switzerland	Franc		·2266	4·41	
Syria	Pound	Free*	·275	3·63	*17 Sept.
Thailand	Baht	Free	·04746	21·07	(6)
Turkey	Lira		·3470	28·81	
Union of South Africa	Pound		2·7056	·3696	
United Kingdom	Pound		2·705625	·3696	
United States	Dollar		·9715625	1·02926	
Uruguay	Peso	Free*	·2380	4·20	
		Basic buying	·6398	1·563	(6)
		Principal selling	·4630	2·16	(16)
Venezuela	Bolivar		·2900	3·45	
Yugoslavia	Dinar		·003238	308·83	(6)

* Latest available quotation date.

notes

1. Argentina: additional rates result from exchange retentions on export proceeds and surcharges on imports.
2. Barbados, Trinidad, Tobago, Leeward and Windward Islands, British Guiana.
3. Bahamas, Bermuda, Jamaica.
4. Tax of 10 per cent affects selling (import) rates only. Tax is based on official rate, and is therefore 1.88 cruzeiros per U.S. dollar.
5. Brazil: currency certificates auctioned for five import categories. Effective selling rate is official rate of 18.82 to U.S. dollar plus price of certificate. Exporters receive cruzeiros at official rate plus exchange premiums ranging from 18.70 to 48.64 cruzeiros per U.S. dollar, depending on product. Three rates shown cover bulk of transactions for auction.
6. Additional rates are in effect.
7. Colombia: stamp taxes of 3, 10, 30, 80 and 100 per cent on imports depending on essentiality. The free rate applies to minor exports and less essential imports.
8. Includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
9. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
10. New Caledonia, New Hebrides, Oceania.
11. Iceland: special selling rate applies to certain designated commodities.
12. Indonesia: basic rate applies to most exports and a few essential imports. Purchase of exchange for other imports is subject to surcharges of 50, 100, 200 and 400 per cent depending on products.
13. Official rate applies to exports and essential imports. For non-essential imports there is a surcharge of 25 Guaranis per U.S. dollar.
14. Portugal: approximately same rate for Portuguese Territories in Africa.
15. Chile: free rate applies to exports and to imports, except prohibited imports. Chilean importers must deposit local currency in amounts ranging from 5 to 200 per cent, depending on product, prior to shipment of goods.
16. Certain essential imports are subject to a fixed rate of 2.10 pesos per U.S. dollar, and no longer require import permits. Other imports are subject to the free rate, and are under quota. Exports are subject to a variety of rates according to the product. Exports will be divided into eleven categories for exchange rate purposes. Depending on the product, the export rates which will apply range from 100 per cent of the free rate to 100 per cent of the basic export rate of 1.519 pesos per U.S. dollar.

businessman's bookshelf

National Security and International Trade

United States Council of the International Chamber of Commerce. 32 pages. 30 cents.

THIS LATEST STUDY by the Council specifically compares the effect on United States national security of the alternative policies of exposing industries to competition or protecting them by restricting imports. It concludes that expanding international trade, not import controls, should be fostered by the Federal Government's defence mobilization policies.

The study lists six serious weaknesses in the national security argument for restricting imports. Briefly, it is inefficient and costly, it is clumsy, it may reduce the vigour of the economy, it cannot protect the type of economy needed at present, it causes above-normal exhaustion of natural resources, and it directly damages alliances and friendly relations with other countries vital to U.S. survival.

Expanding foreign trade, on the other hand, it points out, strengthens ties with friendly nations, helps them develop their economies, conserves U.S. natural resources, helps domestic industries most likely to be of value in a defence effort, and significantly increases the vigour and pace of technological progress in the U.S.

Order from: United States Council of the International Chamber of Commerce. Inc., 103 Park Avenue, New York 17, N.Y.

World Weights and Measures

Statistical Office of the United Nations. 226 pages. $2.00.

AS THE TITLE IMPLIES, this book provides the Canadian businessman with units of weight and measurement used in all the main countries and trading centres of the world. For quick reference and easy calculation, their equivalent magnitudes and quantities are given here in both the British and metric systems. There is also a section on national currencies in which monetary values are expressed in terms of U.S. dollars and, where officially established, in grams of fine gold.

This book, prepared in collaboration with the Food and Agriculture Organization of the U.N., is sub-titled "A Handbook for Statisticians". However, it will also give the Canadian businessman much useful information, and assist him in carrying out his business transactions.

Order from: Ryerson Press, 299 Queen Street, West, Toronto, Ontario, or from: Periodica Inc., 5112 Ave. Papineau, Montreal 34, Quebec.

Meet Mexico 1956

The Mercantile Bank of Canada. 17 pages. Free.

MEXICO in a nutshell . . .This booklet provides a concise account of one of Canada's most promising foreign markets. It also points out that trade between Canada and Mexico could be substantially increased, because we can supply a number of products which Mexico now obtains from the United States.

Mexican geography, history, government, climate, population, key transportation centres, etc., are all lucidly discussed in this booklet; so are the country's economic resources, development, opportunities for investment, and trade pattern. An appendix gives statistics on Mexican trade in general and on Canadian-Mexican trade in 1955.

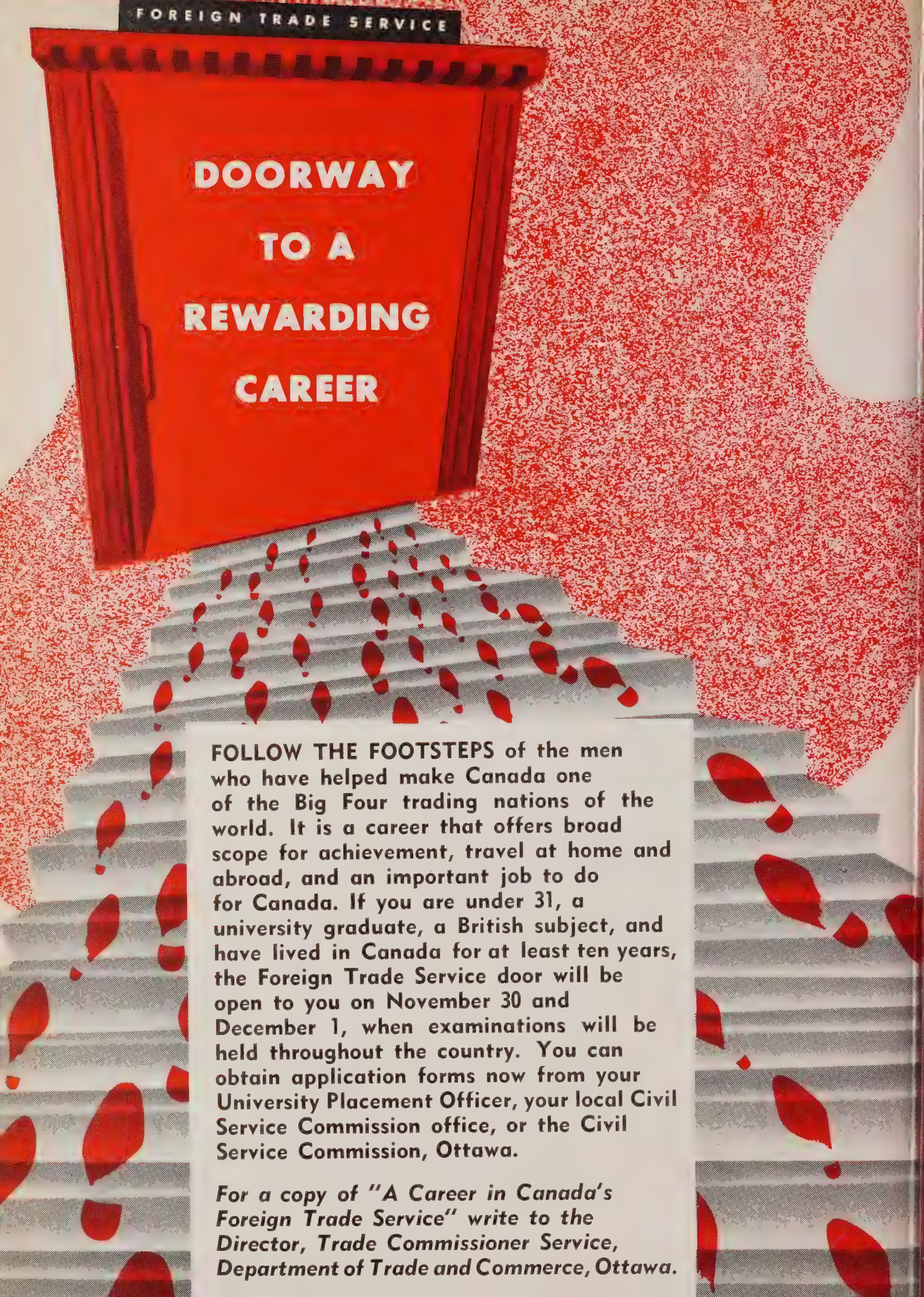
Order from: The Mercantile Bank of Canada, 495 Victoria Square, Montreal, Quebec.

Rubber in Automobile Engineering

Natural Rubber Development Board, Malaya. 206 pages. 5s. 0d. (sent with order).

HERE IS A COMPREHENSIVE SURVEY of the use of rubber in automobile engineering. Motor vehicle makers now employ rubber widely for anti-vibration, shock-absorbing and other purposes, but there is still some hesitation on the part of automobile designers about putting it to other uses. The aim of this book is to explain the properties and characteristics of rubber from the point of view of the automobile engineer and to stimulate interest in this versatile material. It also shows, by numerous examples, how rubber is at present applied in automobiles.

Order from: Natural Rubber Development Board, Market Buildings, Mark Lane, London, E.C. 3, England.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NOVEMBER 24, 1956

foreign trade

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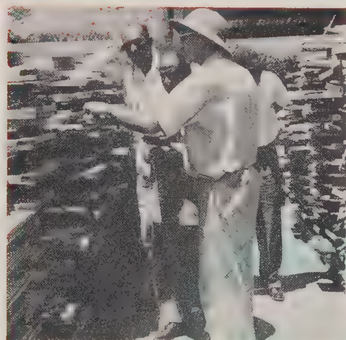

LATIN AMERICA: A BUSINESS SURVEY

ANADA

foreign trade

Established in 1904

Published fortnightly by the Department of Trade and Commerce.
The Right Honourable C. D. HOWE, Minister,
WM. FREDERICK BULL, Deputy Minister.

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cover In nearly every part of Latin America, the pace of development has accelerated since the war. The four examples of this growth pictured on our cover are, on the upper left, stocks of ore samples obtained by diamond drilling at a copper mine in Haiti; lower left, stage one in the laying of a new oil pipeline in Venezuela; upper right, a recently completed sulphur extraction plant in Mexico; lower right, Havana's new skyscraper, 35 stories high. These pictures of progress introduce our annual review of business in Latin America.

Canada's Trade with Latin America

With imports from Latin American countries up sharply and sales to them rising slightly, 1956 promises to be a record year for Canada's trade with this area. Exchange problems may restrict exports to some countries, but long-range outlook excellent, with demand for raw materials and capital equipment certain to grow.

S. G. TREGASKES,
Area Trade Officer for Latin America.

CANADA'S TRADE WITH LATIN AMERICA this year is showing a heartening increase. In the first six months of 1956 it has risen by $40 million over the first half of 1955. If this pace is maintained during the rest of the year, total trade with this area will reach a record $580 million.

Although trade with Latin America accounts for only 5 per cent of our world trade, when the United States and the United Kingdom are excluded this percentage rises to 25. In fact, Latin America ranks as our fourth largest market, following the United States, the United Kingdom, and Europe.

A Growing Market

Latin America currently has about 185 million people and, with its high rate of population growth, it is expected that it will have more than 300 million by 1980. Economic progress throughout the area has been very rapid in the past few decades; it has accelerated since the end of World War II and indications are that it will continue to gain in the years ahead. Obviously, the Latin American market is one that merits close and sustained attention from the Canadian exporter.

Exports and Imports Increase

Canadian exports to Latin America for the first eight months of 1956 increased slightly over the same period of 1955, rising from $113 million to $116 million. Exports in 1955, on the other hand, fell to $170 million from the $194 million of 1954. This decrease was more than accounted for by a fall in exports to Brazil of $34 million between 1954 and 1955. Throughout 1955 Brazil was plagued by dollar shortages and the consequent imposition of restrictions of various kinds materially reduced purchases from dollar countries.

To the end of August of this year, Canada's principal markets in Latin America were Mexico, Venezuela, Colombia, Cuba and Brazil, but Peru, Puerto Rico, the Dominican Republic and the Central American countries continued to be important customers for a wide range of Canadian goods.

Principal exports from Canada to Latin America in 1955 were: wheat and flour ($26 million), newsprint ($20 million), industrial machinery ($13 million), non-ferrous metals ($12 million), fish ($10 million), drugs and chemicals ($8 million), asbestos ($7 million), dairy products ($6 million), wood pulp ($5 million), agricultural machinery ($5 million), malt ($4 million), and seed potatoes ($3 million). In addition a wide range of manufactured and semi-manufactured goods, raw materials and agricultural products, numbering several hundred, were exported to the area during 1955.

contrast to the wide range of products exported Latin America in 1955, six commodities bought by anada from Latin America in that year accounted r nearly 90 per cent of Canada's total imports of 320 million. These were petroleum ($178 million), offee ($50 million), bananas ($23 million), cotton 520 million), sugar ($7 million), vegetable fibres 5 million). Other important imports were cocoa, uts, fresh fruits and vegetables, and meat products.

ew other types of commodities are available from atin America in substantial quantities. The list given bove emphasizes the fact that, with a few exceptions, atin America at present is predominantly an agri- ultural and extractive region; most Latin American ountries have "single crop" or "single export com- odity" economies.

mports from Latin America in the first six months the current year have increased remarkably over e same period of 1955—to $183 million from $147 illion in 1955. Larger imports of cotton from lexico and petroleum from Venezuela accounted for e bulk of the increase.

reaty Relations

n July of this year Canada and Honduras signed a ade agreement for the exchange of most-favoured- ation treatment between the two countries. Canada now enjoys most-favoured-nation customs treatment with all countries of Latin America and Canadian products are subject to the same reduced rates of duty and customs charges in most Latin American countries as apply to goods from other countries, such as the United States and the United Kingdom. As the sole exception, the United States enjoys an exclusive tariff preference on a number of goods entering Cuba.

Latin American Conference

Eleven Canadian Trade Commissioners in ten Latin American countries were recalled to Ottawa in July to attend a conference organized by the Department of Trade and Commerce to discuss ways and means of increasing Canada's exports to the rapidly developing republics of Latin America.

They were joined during the conference by a small group of Canadian businessmen with wide selling experience in that area. These businessmen presented some of the problems with which they are confronted and put forward a number of constructive recommendations for the Department to consider.

Particular attention was devoted to the problem of developing greater interest among Canadian businessmen in the possibilities of the Latin American market.

What Canada Trades with Latin America

(in thousands of dollars)

Country	EXPORTS Year 1954	EXPORTS Year 1955	EXPORTS Jan.-Aug. 1955	EXPORTS Jan.-Aug. 1956	IMPORTS Year 1954	IMPORTS Year 1955	IMPORTS Jan.-June 1955	IMPORTS Jan.-June 1956
rgentina	6,692	6,833	4,143	3,562	2,738	4,414	1,834	1,938
olivia	1,272	1,086	654	1,068	267	19	3	59
razil	45,096	11,520	8,155	8,390	31,623	30,747	12,612	16,200
hile	3,130	3,820	2,390	2,320	236	250	232	515
olombia	21,000	22,691	15,600	12,186	24,820	22,220	9,171	12,529
osta Rica	2,834	3,576	2,811	1,777	7,746	5,948	3,018	1,231
uba	17,455	13,910	9,740	9,458	9,913	10,025	5,800	7,543
ominican Republic	4,269	4,168	2,757	3,238	1,663	1,529	1,167	870
cuador	5,509	4,953	4,041	3,664	3,763	5,187	2,949	2,272
l Salvador	1,526	1,808	1,325	1,568	951	2,962	2,120	844
uatemala	2,021	2,508	1,673	1,891	5,060	4,545	3,002	1,976
aiti	3,307	2,447	1,314	2,005	1,570	1,587	692	953
onduras	471	588	396	522	2,589	1,666	609	2,291
exico	27,359	37,126	23,191	25,093	14,033	28,814	10,207	32,397
icaragua	1,653	1,769	1,181	992	181	1,429	344	486
anama	4,057	2,824	2,023	2,976	5,850	9,037	4,133	5,383
araguay	169	91	76	208	520	237	96	86
eru	5,086	6,001	3,841	6,916	2,264	869	306	1,067
uerto Rico	7,756	9,715	6,587	6,965	1,202	1,094	359	474
ruguay	2,784	2,355	1,194	1,270	1,025	483	266	500
enezuela	30,973	30,756	20,135	20,040	167,594	187,277	88,700	93,263
Total	194,419	170,545	113,227	116,106	285,608	320,339	147,620	182,877

There was general agreement that exports could be increased by continuous and energetic efforts, despite dollar shortages in some countries and keen and growing competition from other exporting nations.

The visiting Trade Commissioners and businessmen covered a wide range of topics, including the problems involved in selling on credit terms in some countries in Latin America and the encouragement of business and official visits both ways between Canada and Latin America.

Future Prospects

Canadian exports to Latin America have trebled in value in the past ten years and imports from the area have quadrupled. What are the prospects in the immediate future and over the long term for this increase to continue?

The trend of imports from Latin America is likely to be upward both through the next year and in the next decade. The Latin American economy largely complements the Canadian and our own growth will mean that we shall need ever greater amounts of products grown, made or extracted in Latin American countries at competitive world prices.

For the next year or two, Canadian exports to Latin America are not likely to increase substantially, although the trend should be a rising one. Some countries—such as Venezuela, Peru, the Dominican Republic and some Central American republics—will continue to be open markets for Canadian goods. Others which suffer from dollar shortages—such as Brazil, Uruguay, Argentina and Chile—are likely to remain closed to a wide range of our products.

The long-range outlook for Canadian exports to the area is, however, excellent. Most Latin American countries are experiencing dynamic changes in the structure of their economies. New agricultural areas are being exploited; industries are springing up; efforts are being made to diversify the economic base of most countries; production methods are being improved; the physical volume of exports is increasing; real income per capita is advancing, and government-financed public works programs (either under construction or planned) will help to stimulate a further rise in real income.

Canadian raw materials, capital equipment, and other goods will be required in increasing volume to feed and to expand the agricultural and industrial development of Latin America. We can participate in this growing demand, provided our products can compete in price and quality with those of other countries and our exporters are prepared to go after the business. ●

Argentina

Strengthening of peso, control of inflation, consolidation of foreign debt, rise in agricultural prices, and obtaining of foreign loans constitute major steps in Argentine economic recovery. Progressive elimination of import controls should gradually reopen this market to wider range of goods which Canadian producers can supply.

W. F. HILLHOUSE,
Agricultural Secretary, Buenos Aires.

INCREASED PRODUCTION and a sound, stable currency form the backbone of the Prebisch Economic Recovery Plan adopted early this year as the basis of Argentine economic policy. Prebisch made three main recommendations for achieving greater output:

- Revaluation of the peso to permit incentive prices for agricultural products.
- Heavy investment in electric power development, transport facilities and petroleum resources.
- Elimination as quickly as possible of government controls and interference in business and industry.

Considerable progress has been made towards these objectives but much remains to be done. The peso was revalued and exchange rates simplified but the ultimate objective of a freely fluctuating single rate of exchange is still remote. Prices of many important agricultural commodities were raised and this action has stimulated an increase in seedings. Many plans for power development have been discussed and recommended but no large tenders have yet been called. In the transportation field notable progress has been made. More than 100 diesel locomotives have been ordered, mostly for delivery in 1957, an Export-Import Bank loan for $100 million (chiefly for transportation facilities) has been negotiated, and extensive road repair and construction are being carried out. Plans on petroleum development have been announced but national feeling is against exploitation of these resources by foreign companies. Government interference and control are being reduced somewhat, but as one example bread and meat are still subsidized and thus controlled.

The external value of the peso, after falling to 45 per dollar, rallied strongly and has been fluctuating close to 30 per dollar for several months. However, repatriation of Argentine funds from abroad and a low level of imports have been more important factors than increased foreign earnings. Internally inflation has apparently been controlled within the limits envisaged by Prebisch but wage agreements retroactive to February are still being negotiated; the few that have been settled have resulted in increases ranging from 20 to 40 per cent and even higher. The inflationary effects of those yet to come will provide the real test of the stabilization program.

International Relations

In recent months Argentina has become an active member of the Organization of American States, the International Wheat Agreement, the International Monetary Fund and the World Bank. To break away from the bilateralism which characterized its trading in recent years, Argentina has negotiated a multilateral agreement with eleven European countries by which trading with any of these countries can be done in the currencies of any one of them. Japan is linked to this arrangement by a new Argentine-Japanese agreement which calls for future payments to be made in transferable sterling. The nation has not turned its back completely on bilateralism, however: agreements have recently been negotiated with Brazil and Paraguay and willingness to continue such agreements with other countries, should they so desire, has been made clear.

Financial Situation Reviewed

Argentina's foreign obligations have been estimated at approximately $800 million or its equivalent in other currencies. Deferred payment stretching over ten years, at an average interest rate of 3½ per cent, has been obtained for approximately half of this amount from Japan and the countries belonging to the European multilateral trade group. The debt to West Germany—which reportedly amounts to almost $200 million—remains unsettled but it is still hoped that she will join the multilateral agreement. The balance of approximately $200 million includes debts to neighbouring countries and a long term Export-Import Bank loan of $60 million for the San Nicolas steel plant.

Dr. Prebisch estimated immediate minimum reconstruction needs for three years at $1,200 million—$300 million for transportation material, $290 million for gas and oil, $60 million for electrical equipment, $150 million for steel plants, and $400 million for industrial and agricultural re-equipment—much of which would have to be obtained through foreign loans. Viewed objectively, progress has been satisfactory. More than 100 locomotives have been purchased on medium-term credits and a long-term loan of $100 million obtained from the Export-Import Bank. A consortium of British banks has offered short to medium credit up to £30 million and press reports indicate that Italy is also prepared to make a substantial offer. Smaller investments have been entering the country for a variety of manufacturing and industrial purposes faster than in any recent year. During the first six months, the Government approved investments totalling almost $18 million and was considering applications worth over $25 million.

A poor harvest and lower meat prices reduced the value of Argentine exports during the first eight months of 1956 to $596 million from the $605 million reached in 1955. Imports during the same period, at $743 million, although down $44 million from the previous year, exceeded exports by more than $147 million. On a straight *pro rata* basis, this would suggest an adverse balance for the year of approximately $220 million, compared with $247 million in 1955.

Points for Exporters to Argentina

- *Use airmail—seamail takes four to six weeks.*
- *Quote c. and f. not c.i.f., and preferably in United States dollars.*
- *Correspond in and publish descriptive literature in Spanish, if possible.*
- *Offer extended credit terms, especially on capital goods.*
- *Maintain personal contacts; there are now fast direct flights to Buenos Aires from Canada.*
- *Re-examine the prospects for your commodities periodically as import controls are changing week by week.*
- *Give maximum details with first inquiry; restrictions are removed on individual products rather than on general categories.*
- *Use the metric system where possible and always identify tons as long, short or metric.*

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Argentina's unsatisfactory trading position and the need to liquidate some outstanding commitments are clearly shown by the drop in holdings of gold and foreign exchange. Between September 30, 1955, and September 23, 1956, gold holdings fell from over 1,623 million pesos (valued at 4.20 pesos per dollar) to just over 1,086 million, the lowest since January 1953. All this outflow has taken place since the end of May and approximately 170 million pesos went to pay Argentina's entry quotas to the International Monetary Fund and the World Bank. During the same year, net foreign exchange holdings dropped from plus 519 million pesos to minus 232 million pesos. However, since these foreign exchange holdings and obligations have been converted to pesos at varying rates of exchange, it is impossible to assess accurately the real change in the foreign exchange position.

Labour Problems Dominate

Labour problems have dominated the Argentine business and industrial scene during much of this year. To compensate for increased costs resulting from the revaluation of the peso, a general wage increase of 10 per cent was given, effective February 1. The Government instructed labour and management to negotiate their own agreements, stipulating that all future increases must come out of profits and higher productivity. Labour—which has been pampered for ten years—made such exorbitant demands in most cases that few agreements have been reached without arbitration. Much time has been lost and labour has become more assertive. The relatively few agreements concluded have established increases over the 1954 level ranging from 20 to 40 per cent in most cases, but going as high as 150 per cent in individual instances. The climbing cost of living aggravates the situation: the index (1943 equals 100) rose from 713·9 in February to 795·9 in June but dropped to 788 by August. Inclusion of any non-essentials would raise it even higher. This squeeze on the workers is naturally being reflected in slower retail sales and general business activity. Credit is tight and business firms—especially those using imported materials which cost more at the new exchange rates—are having difficulty financing operations. The general index of industrial production for the first seven months of 1956 stood at only 117·9 (1952 equals 100), less than five points above the year before. Most of this small increase represents a rise in total hours worked. It seems doubtful whether Prebisch's target of a 10 per cent industrial increase for 1956 will be reached.

Canadian-Argentine Trade

As recently as 1950, total trade between Canada and Argentina exceeded $24 million—$13·4 million representing Canadian exports to Argentina and $10·9 million Argentine imports into Canada. Mainly because of Argentina's bilateral trading policy and a shortage of foreign exchange, especially dollars, the total dwindled rapidly to less than $9·5 million in 1954. In 1955 it rose slightly to $11·2 million, the result largely of the 63 per cent increase in Canada's purchases of Argentine goods—from $2·7 to $4·4 million. During the first six months of 1956, Canada's exports to Argentina, at $2¼ million, were down over $500 thousand from the previous year and imports were up only slightly. Canadian exports reached almost $900 thousand by July, however, so that the picture for the full year may compare not unfavourably with 1955. The outlook for the future is brighter.

The new policy of progressive elimination of import controls should gradually reopen the Argentine market to a wide range of Canadian exports. Although Argentina will not probably become again an importer of a complete range of consumer goods, the market for raw materials of all kinds, semi-processed goods, component parts and complicated apparatus and machinery not produced locally should expand gradually. The items which can be brought in through the free exchange markets from all sources do not yet form a large percentage of import needs. However, the list is growing week by week and should continue to do so as long as the international value of the peso remains reasonably stable. To discover the exact position of individual products, the exporter should write to the International Trade Relations Branch, Department of Trade and Commerce, Ottawa, or to the Commercial Counsellor, Canadian Embassy, Buenos Aires.

One Canadian manufacturer provides a good example of what can be done in the field of heavy equipment, which Argentina needs so badly. This manufacturer successfully competed with eleven British, European, Japanese and U.S. companies and sold 25 large diesel locomotives. In such deals, the credit terms offered are very important. An active and reliable agent, some personal contact with the market, and the ability to meet international competition in price, terms, delivery, packing and service are all important factors in obtaining and retaining business in Argentina.

Future Outlook

In the past year, Argentina has succeeded in consolidating most of her foreign debt and re-establishing her credit. She has made firm plans for the reconstruction and development of her transportation and electric power systems. She has reoriented her trade along more efficient multilateral lines and has taken important steps to increase production in her basic industries, agriculture and livestock raising. These are all steps along the road to recovery. Her agricultural prospects at this time—six weeks before harvesting

begins in the north—are excellent. Exports of meat, wool, and hides are also expected to increase somewhat and those of fruit, dairy and forest products to be at least maintained. The prospect of increased earnings of foreign exchange, plus proffered and anticipated foreign loans and investment, should permit an expansion of imports next year although this increase will undoubtedly be confined mainly to basic needs and production materials. A continuation of the present policy of gradual removal of trade restrictions and discrimination, however, should permit competent Canadian exporters to obtain an increasing percentage of the business.

This rather optimistic outlook is clouded by the unsatisfactory progress made in increasing productivity and the prospect of inflationary pressures because of the large wage increases retroactive to February 1. Such pressures, if uncontrolled, would have an unfortunate effect on the international value of the peso and on Argentina's ability to recuperate and expand imports. ●

Brazil

Dollar reserves have risen and balance of payments shows surplus, but domestic inflation remains a problem. Present system of currency auctions likely to continue. Prospects for greater Canadian trade with Brazil brighter than for some time, especially for machinery of certain types, raw materials, and some food products.

H. M. MADDICK,
Commercial Secretary, Rio de Janeiro.

THE FIRST SIX MONTHS OF 1956 have seen Brazil achieve a favourable balance of payments abroad and increased dollar reserves. But her domestic troubles, in the form of budget deficits and rampant inflation, have continued unabated.

Domestic Inflation Continues

Despite efforts by the new Government during the first few months following its election, inflation has continued to be the most serious problem in Brazil today. One of the contributing factors is the large deficit in the federal budget. This year it was originally estimated at Cr.$600 million, but this estimate has now risen to between Cr.$20 and $25 billion. This deficit will mean further increases in the paper money in circulation, which has already gone up by 12 per cent for the first six months of the year.

Early this year the Government found it necessary to raise the salaries of federal employees and the armed forces and with this additional cash in circulation, prices rose. In fact, it soon became necessary to do something for private employees. The result was that on August 1st new minimum salaries were decreed and the inflationary spiral started all over again. It is unlikely that 1957 will see any improvement because the Government is again budgeting for a deficit of 24 billion cruzeiros, a figure which will undoubtedly rise before the end of the year.

Balance of Payments Improves

The bright side of the picture has been Brazil's success in achieving a favourable balance of payments abroad and building up her dollar reserves to the highest point for many years. This was accomplished through a favourable trade balance of nearly $170 million for the first six months of 1956, brought about by good coffee exports and continued severe import restrictions. Indications at the moment are that exports for the third quarter are running behind the average for the first half of the year. Nevertheless, it appears that Brazil will end the year with a favourable balance.

Brazil's balance-of-payments position was recently strengthened through an agreement with the Export-Import Bank to delay debt service schedules if the reserves fall below a certain level. The level set was not given in the published announcement, but an agreement has been made whereby debt servicing is also conditional on minimum monthly foreign trade receipts of $60 million this year and 5 per cent higher each succeeding year. This agreement with the Export-

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Import Bank will ease Brazil's position considerably and possibly prevent further restrictions on imports.

Foreign Trade Improves

The foreign trade position for the first six months is probably the most favourable for some time. Coffee exports, which started the year well, continued high throughout the half-year and reached a total of 8,644,688 bags—or 3,473,939 bags more than for the comparable period of 1955. Prices remained firm and the result was a surplus of $170 million on trading account. The other major commodities, such as cotton and cocoa, maintained satisfactory figures and this contributed to the excellent over-all picture. Because of bad weather early in the year, the cotton crop was not as large as the original estimate and the Government felt obliged to suspend exports of certain types of cotton in order to meet domestic requirements. Brazil therefore will have little difficulty in disposing of her available surplus this year. However, this is not likely to affect her dollar earnings because traditionally the bulk of her exports go to Europe.

Imports were down by almost $50 million from the same period last year, thus contributing to shortages and adding to the inflationary pressures. The pattern of imports has remained the same. Petroleum products, wheat and newsprint were again the leaders and together accounted for approximately 30 per cent of all imports. The severe reduction in imports contributed largely to the favourable trade balance.

Trade with Canada

Canadian exports to Brazil declined further during the first six months of 1956—to $5·6 million compared with $6·6 million for the same period of 1955. They thus followed fairly closely the general pattern of reduced imports from other countries. In the main they consisted of products in which Canada has a natural advantage—newsprint, aluminum, asbestos, nickel, malt, synthetic resins and electrical equipment accounted for 80 per cent of our exports. Of these, newsprint is imported outside the auction system at a special rate of exchange; so is electrical and other capital equipment imported by public utility companies. These two alone represented about 50 per cent of our exports.

Canadian imports from Brazil for the first six months of the year are up by $3·6 million to a total of $16·2 million compared with the first six months of last year. Again the pattern remains the same, with coffee and vegetable waxes in the van and increased coffee imports providing the bulk of the overall increase.

Exchange Auctions Continue

The system of currency auctions for exchange for imports—which was introduced in October 1953 and was due to expire on June 30th this year—has been extended to December 31st. At the moment, a Congressional Committee is studying the law and some amendments may be expected next year. However, the President and the Minister of Finance have indicated that there will be no reform and that they are satisfied with the present method.

As they now operate, the currency auctions allow Brazil to control her imports through the amount of exchange issued for each weekly auction. These amounts have varied during the year, depending on the availability of foreign exchange, but recently the trend has been upwards because of large foreign exchange earnings, especially in sales to dollar countries.

The "Hague Club"

Because of these additional offerings, the agio or premium paid at auction has declined during the past six months and has brought the cost of U.S. dollar exchange more into balance with the currencies of our European competitors, most of whom before this year had bilateral payments agreements with Brazil. However, in August of last year Brazil entered into an agreement with Britain, Germany, the Netherlands, Belgium and Luxembourg, whereby these countries would form one multilateral group for trade with Brazil; the currencies of each country would be pooled and freely available for trading within the group. This

These three Brazilian girls grouped around a coffee tree reflect Brazil's pride in its coffee plantations. Up to July 1956, coffee exports have totalled over 8½ million bags, sold at good prices.

group is commonly called the "Hague Club" and since its formation Italy, Austria and France have been admitted. Brazil hopes that ultimately the Scandinavian countries will also become members. As an indication of Brazil's attempt to achieve this objective, she recently cancelled her payments agreement with Norway which expired on September 27th but later extended it until December 31st, pending negotiation of a new agreement under which Norway may enter the Hague Club.

The common currency sold at auction for imports from the Hague Club countries is known as "limited convertibility area dollars", and whereas in the first offerings of these dollars there was quite a differential between the agios for LCA dollars and for U.S. dollars, the table below, which shows comparative prices for the past five weeks, illustrates that the prices are now more in balance:

	CATEGORIES				
	1st	*2nd*	*3rd*	*4th*	*5th*
Sept. 3rd—LCA dollars	54·90	83·90	117·75	166·00	317·00
Sept. 4th—US dollars	61·20	95·10	155·10	194·80	271·00
Sept. 10th—LCA dollars	52·50	77·00	115·10	170·75	300·00
Sept. 11th—US dollars	54·05	80·35	155·45	191·50	271·00
Sept. 17th—LCA dollars	45·90	68·65	98·90	164·00	296·00
Sept. 18th—US dollars	49·40	79·25	135·55	191·50	276·50
Sept. 24th—LCA dollars	46·35	69·35	110·55	158·80	296·35
Sept. 25th—US dollars	51·15	71·20	142·15	187·00	301·75
Oct. 1st—LCA dollars	43·85	70·75	106·85	158·50	300·65
Oct. 2nd—US dollars	49·60	75·50	138·00	190·00	301·00

With the inclusion of the Scandinavian countries, the relative costs will undoubtedly be nearer together, particularly in the first three categories, which are the important ones. Thus Canadian exporters should again find themselves in a position to compete with these European countries, provided their f.o.b. prices are competitive.

Future Prospects

Looking to the future, the prospects of increasing our trade with Brazil look brighter at the moment than they have for several years, particularly as regards competition from Europe, to which we lost a large share of the Brazilian market under the old system of bilateral agreements. This forecast is based primarily on the supposition that the agio or premium for imports from the Hague Club countries will remain more or less in balance with that for imports from the U.S. dollar area. Exporters therefore would be well advised to maintain close contact with the Commercial Secretary's office and their own agents in order to follow carefully the weekly agios. Unfortunately, while Brazil maintains a bilateral agreement with the Argentine and continues to receive agricultural commodities through the United States surplus disposal program, the prospects of sales of wheat to Brazil are very uncertain.

Exporters of the following products in particular—which were the main ones imported from Europe last year—should keep in close touch with the Brazilian market:

Machinery and equipment, such as utensils, accessories and parts for Brazil's expanding food, steel, metallurgical, mining and textile industries; raw materials for expanding pharmaceutical and chemical industries, as well as chemicals for industrial use; fertilizers; accessories and parts for motor vehicles; synthetic fibres; seed potatoes; codfish; agricultural equipment.

All these commodities are in the first three exchange categories, under which they are imported into Brazil; items in the fourth and fifth categories represent products which are mainly produced in Brazil. And even though it might appear from the agios that we are competitive with Europe, nevertheless it is impossible to compete with the locally manufactured product. ●

Exporters to Brazil Should Remember . . .

- *Canadian dollars are not traded at the exchange auctions. Import licences are issued for U.S. dollars only and quotations therefore must be in this currency.*
- *All imports into Brazil require an import permit.*
- *European competition is severe and they have the advantage of lower exchange costs. Quotations should be the best possible and remember, European credit terms are generous.*
- *Five copies of consular invoices must be presented to the Brazilian Consulate in Canada for official approval.*
- *Three copies of the commercial invoice signed by the manufacturer or seller are required by the Brazilian authorities and should be attached to the respective copies of the consular invoices.*
- *The metric system of weights and measures is used in Brazil.*
- *The language of Brazil is Portuguese and not Spanish, as many believe. Catalogues and literature should be in Portuguese whenever possible; if not, in English.*

Chile

Shortage of dollars has persisted and imports from dollar countries have suffered. Measures taken to combat inflation and build up reserves promise future improvement. Sales to Canada up substantially in first half of year and purchases from Canada down slightly.

L. D. BURKE,
Assistant Commercial Secretary, Santiago.

THE ANTI-INFLATION PROGRAM in Chile initiated in the latter months of 1955 includes credit control, price and wage freezes, and reduced government spending. This program gained momentum in the first half of 1956 and already has a number of achievements to its credit.

Although the cost of living has continued to rise in the current year, it has not gone up quite so rapidly. The total increase during the first six months was estimated officially at 13·8 per cent, compared with 37·1 per cent in the corresponding period of 1955. The free exchange rate of the peso, which characteristically fluctuates considerably, showed sustained firmness in the first half-year of 1956. Credit control has apparently been effective to judge by the substantial decrease in money supply since December of last year, compared with the early months of 1955.

These signs of recovery were tempered by an anticipated budget deficit, the result of deficits carried over from the previous administration and of unbudgeted expenses.

As a result of stiff credit restrictions, retail sales were reported as slow in the first half of this year compared with 1955. Industrial activity was curtailed, particularly in the textile, electronic and building industries.

Copper and Nitrate Industries

Two commodities—copper and nitrate—bring in most of the foreign exchange which Chile earns and the state of these industries and of the market for their products is therefore vital.

The transition to a freer exchange system satisfied a long-standing desire of the mining community and legislation providing better exchange treatment for the large producers was reflected in the number and size of new investments.

The over-all picture is one of brisk activity and increased production for all segments of the industry. The main producers—subsidiaries of the Anaconda and Kennecott interests of the United States—turned out 391,528 metric tons in 1955, an increase of 21 per cent over the preceding year. A new smelter and refinery to permit greater processing of ores which now are exported and an expansion of blister copper and concentration facilities are predicted for the near future. The Anaconda Company has announced plans to spend nearly $53 million on the development of its new mining property, El Salvador. Expansions and new properties are expected to boost 1956 production to an estimated 420 thousand tons.

In 1955, Chile was the world's leading exporter of copper, with a total of 455 thousand short tons. Shipments went principally to the United States, the United Kingdom, West Germany and Italy.

Booming production and exports have been offset to some degree by the decline in world copper prices since the peak reached in the early months of 1956. The fact that a drop of one cent per pound means an estimated net revenue loss of between $5 and $6 million to Chile points up the significance of any decline.

The golden age of the Chilean nitrate industry came during the First World War, with periods of prosperity during subsequent wars. In between, the industry has suffered from decreasing demand abroad (reflecting

Nitrate remains one of Chile's economic mainstays, despite competition from synthetic products and smaller production. Here Chilean workers break up deposits at a nitrate property.

If You Intend to Export to Chile . . .

1. *Make certain that your products are included in the permitted lists of Chilean imports before initiating any action.*

2. *Correspond by airmail and, where possible, in Spanish, although English is generally understood in this country.*

3. *Select an exclusive agent for Chile, preferably established in Santiago, the capital.*

4. *Pack goods strongly. Rough handling at port of destination is common, particularly where lightering is required.*

5. *Ensure proper packing of merchandise subject to water damage, as inadequate customs warehousing may require storage in the open.*

6. *Make out shipping documents strictly in accordance with regulations and have them visaed by the Chilean Consul.*

7. *Express units of measure in kilos, litres and metres.*

8. *Price goods in U.S. dollars, because Canadian currency is not quoted in the local market.*

9. *Note that current operations are being undertaken by irrevocable documentary letter of credit and documents against payment Santiago, Chile, basis.*

10. *Make sure that your client is in good standing. If in doubt, it is best to get in touch with the Commercial Secretary in Santiago before shipping.*

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ompetition from synthetic products) and from smaller roduction partly because of labour problems. These onditions have continued up to the present. Exports n 1955 were smaller and production in the nitrate tatistical year ended June 1956 declined by 143 housand tons because of a recent 88-day strike.

o revitalize the industry's competitive position in nternational markets, the Government in April of his year passed legislation which provided taxation nd exchange rate concessions in return for sizable nvestments by the large producers. Also in recent nonths, the Export-Import Bank has authorized the oan of $27·9 million to improve production methods n an effort to reduce costs.

ther Industries Make Progress

hile is working towards large-scale developments in he pulp and paper industry. Traditionally it imports ver 50 per cent of its requirements of newsprint, but acilities are currently being built capable of meeting omestic demand in 1957 and providing tonnage for xport. A new kraft pulp mill is planned to be in peration in 1958 to supply the needs of the paper nd paperboard industry and to furnish exports.

xports of agricultural products, which declined slightly n 1955 compared with 1954, improved in the first uarter of the current year.

hile estimates a deficit of 300 thousand tons of wheat his year because of reduced acreage and unfavourable rowing conditions. It expects to obtain supplies from rgentina under a special bilateral agreement and from the United States under a 30-year surplus disposal agreement.

The national fishing industry, under favourable exchange rates, previously enjoyed a flourishing export trade. Now, with much lower rates, it cannot compete in foreign markets and has accumulated substantial stocks.

New Measures Affect Trade

In foreign trade, the period under review was marked by a significant development. In April 1956, Chile adopted a freely fluctuating rate of exchange in place of the former system of direct controls which had included import permits, quotas and multiple rates of exchange. There were as many as 25 different rates under former regulations (including special ones for wine, copper and nitrate exports) and under bilateral agreements with such countries as Germany, Argentina and Italy.

Quantitative control of imports is now achieved by limiting imports from all countries to products appearing on permitted lists.* Importers are compelled to make cash deposits with the commercial banks of varying percentages of the value of the goods, depending on their nature, when they place orders abroad. These deposits which are refundable on import of the goods may be raised to as high as 400 per cent of the value of the goods if imports of a given commodity threaten to make undue demands on available foreign

* Details on permitted imports may be obtained from the International Trade Relations Branch.

reserves. The main principle of the new exchange system, according to government spokesmen, is "the liberty of the importer and the exporter now to seek the most convenient market".

There was little rise in Chile's imports in 1955 over 1954. The shortage of dollars persisted and, as a result, purchases were directed to soft currency countries and effected under barter arrangements whenever possible. Since the new measures against inflation went into effect, more dollars have become available as a result of the reduced demand for imports. In the first six months of 1956, imports were estimated to be 7·5 per cent less than in the same period last year. Local industry, holding substantial stocks and hampered by credit controls, curtailed purchases abroad. The decline in imports was particularly noticeable in April, May and June, with some improvement in July and August as stringent credit controls were eased slightly.

Under a new policy of non-discrimination, sales from the dollar area should improve in the latter part of this year and in 1957, if the exchange reserves stand up well.

Trade with Canada

Canadian imports from Chile rose slightly in 1955 to $250,329 from $235,705 in 1954. Chief commodities in this trade continue to be fresh fruits, vegetables, nitrate and iodine. However, the first half of 1956 has witnessed a substantial increase in these imports—to $515,321 compared with $231,782 for the first six months of 1955. This increase resulted largely from the sale to Canada of plates and sheets of steel worth $205,382 from the National Steel Plant at Huachipato in Southern Chile. This is a new item in Chilean trade with Canada.

Canadian exports to Chile in 1955 reached $3,820,364 compared with $3,130,131 in the previous year. Improved sales of agricultural machinery (except combines), of chemical pulp, asbestos, nickel and mining machinery offset the decline in sales of newsprint and aluminum. In the confused period of the changeover in the control system in the first half of 1956, Canada maintained its export position with sales worth $1,683,897 compared with $1,699,445 in the first half of 1955.

The present import regulations in Chile are designed to see that available reserves are used to buy essentials required to increase production in mining, manufacturing and agriculture. A prohibited list of imports includes luxury goods and articles produced in sufficient quantity locally to meet domestic demand. If Canadian products conform with these conditions and are competitive in price, sales opportunities should improve in the future.

There are at present two free trade zones in Chile. One is located in the north at Arica, and one in the far south, at Punta Arenas. Arica serves as an outlet to the Bolivian and southern Peruvian markets, while Punta Arenas is the main port of the Chilean sheep-raising area. Goods may enter these two free zones without the payment of custom duties. Canadian suppliers may be able to participate in this trade, depending on quotations offered.

Canadian Pacific Airlines is at present applying to the Chilean Government for permission to include Santiago, Chile, in its itinerary from Vancouver to Buenos Aires. This should help to stimulate both trade and tourist business between Chile and Canada.

As a traditional exporter of mining machinery, agricultural equipment, farm tractors, and such raw materials as asbestos and nickel, Canada may expect further sales of these products, with openings in other lines as conditions permit the liberalization of trade. ●

Colombia

New exchange controls are designed to reduce exports by 13 per cent in an effort to cut the backlog of arrears in commercial payments; goods affected are mainly non-essentials. The market for raw materials and other essential goods should remain buoyant despite these measures.

W. B. McCULLOUGH,
Commercial Counsellor, Bogotá.

THE MARKET FOR ESSENTIAL GOODS in Colombia will continue good despite the Government's announcement on November 2 of an austerity program. Buoyant business conditions and the heavy demand for imported goods have created a substantial backlog of commercial payments which new exchange controls are designed to correct. As a rapidly developing country, Colombia offers an excellent market for a wide range of Canadian raw materials and manufactured products. Exporters, however, should not lose

sight of the long-term prospects for less essential goods in this market.

Coffee sales abroad are the source of 85 per cent of Colombia's foreign exchange and petroleum of about 12 per cent. Canada bought $12·8 million worth of coffee last year and is the largest export market except for the United States. U.S. dollars constitute the major share of Colombia's foreign exchange earnings.

Imports Restricted

With the appointment early in October of Dr. Luis Morales Gomez as Minister of Finance, the Government took steps to balance imports (including military and government purchases) against the country's earning capacity and reduce the backlog of commercial payments. The new austerity program just announced calls for a 13 per cent reduction in imports, or a cut of about $60 million on an estimated volume of $450 million in 1956. Import licences will be restricted to products considered strictly essential to the economy of the country, and then only in relation to existing stocks. The Government has extended the prohibited import list which now includes 444 tariff items, nearly half of the total number appearing in the Colombian tariff. Details of the commodities included in this list are available from the International Trade Relations Branch.

The Exchange Control Office has been closed from Oct. 11 until now to allow experts to review the exchange and financial situation. The office, which looks after import controls and exchange regulations, formerly classified imports into one of seven categories: Preferential, Group 1, Group II, Group II Special, Group III, Group IV, and Prohibited. Imports under Preferential and Group I were paid for at the official rate of exchange of 2·51 pesos to the dollar, while the other categories were paid for at the free rate, which in recent months was between 4·50 and 5·20 pesos per U.S. dollar. The import surtaxes were 3 per cent under Preferential and 10 per cent under Group I and Group II Special, and graduated up to 100 per cent in Group IV on the f.o.b. value. With the extended Prohibited list in effect the number of categories will be reduced to possibly three or four, and the surtax in the Preferential Group may be increased to 30 per cent.

Payment Backlog Mounts

Since late 1954, the demand for official exchange to pay for imports and services has exceeded export earnings. Despite various measures, the backlog in commercial commitments and the delay in remittances continued to mount; the backlog of payments for this year is reported to be about $284 million. Releases of foreign exchange during the year cleared up applications made in 1955 and up to about the end of February 1956. There were, however, some releases that applied to applications in July and part of August. (See "Colombia Alters Exchange Rates" published in *Foreign Trade* of October 13.)

Gold and dollar reserves at the end of October 1956 were reported to be $112 million, compared with $99 million at the end of September, $152·2 million at the end of June, and $152·6 at the end of December 1955. Reserves at the end of September dropped to the lowest point in several years.

Foreign exchange earnings this year up to mid-September were $327·1 million, and exchange releases were $363·4 million. Import licences registered during this period were $307·5 million at the official rate of exchange and $68·5 million at the free rate.

A government decree on August 31 imposed a limit on the price at which banks and other authorized institutions could buy and sell exchange in the free market (4·50 and 4·52 pesos to the dollar respectively, or the equivalent in other currencies).

On October 15, commercial banks again were authorized to operate free exchange transactions; the free market rate has climbed to 5·80 pesos to the U.S. dollar. Tighter regulations have curtailed exports of contraband coffee, thus reducing the volume of dollars entering the free market from this source. The present high rate is regarded as artificial and should tumble when the new exchange regulations come into effect.

In June, the Central Bank inaugurated a new system for remitting commercial payments. Known as the fifty-fifty scheme, the plan offered holders of applications for official exchange an option of receiving payment without delay, with 50 per cent at the official rate and 50 per cent at the free rate. The scheme applied to importers who registered for exchange payment from January 1 to June 30.

Some importers were reluctant to take up the offer, especially those who already had sold their foreign goods on the basis of the official exchange rates. A large number of importers, however, did take up the option, particularly those whose imports had been included among the 200 tariff items transferred from the Preferential and First Group (payable at the official rate of 2·50 pesos=U.S. $1.00) to the Special Second Group which requires payment at the free rate. The Bank suspended payments under the fifty-fifty option shortly after the Government closed down the Exchange Registry Office on October 11.

Coffee and Oil Dominate Exports

During the coffee year ended June 30, 1956, Colombia exported 6·2 million sacks (132 lb.) of green coffee, compared with 4·8 million sacks in the previous coffee year. Exports of green coffee for the calendar

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year 1955 were 5·8 million sacks, with an f.o.b. value of 1,218 million pesos, or about $487 million. Since 85 per cent of Colombia's foreign exchange earnings are derived from coffee, the size of the crop and prices on the coffee exchange in New York are vitally important to this country.

No official estimates are available for the 1956-57 coffee crop as yet. Reports from the production areas and trade circles indicate a better-than-average crop, well above production last year; there were heavy losses in some districts in the 1955-56 season because of unfavourable weather. Carryover stocks accounted in part for the last crop year's volume of exports. Shipments in recent weeks have been below normal, and it is believed that coffee stocks in Colombia are quite low.

Harvest has commenced in some important districts, and if coffee prices hold up, the country will earn a good volume of foreign exchange during the last quarter of this year and in early 1957.

The production of crude oil in Colombia is 123,600 barrels a day, or about 44 million barrels a year. This is sufficient to meet the needs of the domestic market, and provides a surplus for export. The sale of petroleum products earns about 12 per cent of the nation's foreign exchange.

Recently, the Government has taken measures to increase exploration and development of oil resources. A decree announced in August is designed to encourage investment of foreign capital; it removes some unattractive features of previous decrees. It has granted various tax concessions for exploration costs, non-producing wells and exhausted wells.

The cost of exploring for oil in Colombia is high, but the oil companies consider the new regulations fair and workable. The companies will invest more funds in this branch of their operations in Colombia.

Business in general continues buoyant, with heavy demand for imported goods, but exporters of merchandise which must be paid for at the official exchange rate during this year can expect further delays in remittances.

The new exchange regulations and import controls are designed to keep expenditures for imports below export earnings and to apply the balance to the commercial backlog.

Canadian Prospects

During the year 1955, Canada exported goods to Colombia valued at $22·7 million, compared with $21 million in 1954. This modest increase was achieved despite a reduction of some $3 million in the value of wheat and wheat flour sales in 1955.

Cellulose products accounted for the greatest share of our trade, followed by newsprint, machinery, wheat, wood pulp, fertilizers, drugs and chemicals, and a variety of other products. During the first six months of 1956, our exports to Colombia fell somewhat to $9·9 million, from $12·2 million for the first half of 1955. No wheat or flour has been exported so far this year. The value of exports has dropped for cellulose products, purebred cattle, machinery and manufactured goods, but the value for aircraft, drugs and chemicals, and copper wire has risen substantially.

Because the tempo of Colombia's industrial development is increasing, we can expect greater interest in raw materials but less demand for manufactured goods which the country is likely to produce itself. ●

Ecuador

Import and exchange controls instituted in March have brought increase in foreign exchange reserves. Canada continues to be Ecuador's fourth largest customer and fourth largest supplier.

ALFRED SAVARD,
Commercial Secretary, Bogotá.

BUSINESS IN ECUADOR slowed down considerably in the first half of 1956, for two reasons. The first was a gradual but consistent deterioration of the country's exchange reserves, and the other was the uncertainty caused by the presidential elections.

As a result of the continued drain on the reserves—which began early in 1955 and showed no signs of abating through the first half of 1956—more severe import and exchange control measures were imposed in March. At the same time, more stringent control of credit was introduced. As a consequence, imports were effectively restricted.

It would appear that the above measures are having the desired result, because Banco Central del Ecuador figures show that in September these reserves recovered from their April low to their highest point this year.

The trade deficit in recent years has resulted not from reduced production nor a marked slackening of exports, but from the need to import more machinery and raw materials for a small but growing industry, improvement of the country's transportation system, and new power developments. Part of these necessary improvements has been financed by World Bank loans. But the fact is that, temporarily at least, capital investment provided for out of the reserves has resulted in cutting down those reserves.

Exports for the first half of 1956 were maintained at approximately the same level as for the last two years. Bananas, cocoa (Ecuador produces some of the finest in the world), coffee and rice are the principal exports in order of importance, plus the minor but traditional straw hats and shapes known as "Panama hats". The United States is the largest market, followed by West Germany, Colombia and Canada.

The import control measures already mentioned have reduced the overall value of imports by close to sucres 100 million (US$5 million), or 10 per cent of the total imports for the first seven months of 1956. This reduction has chiefly affected consumer goods.

This year iron and steel manufactures, transportation equipment, machinery parts, non-ferrous metals, chemicals and pharmaceuticals, and wheat constitute the main imports.

The United States is again the chief supplier, followed by West Germany, the United Kingdom and Canada, in that order.

Ecuador is not a large market and it is governed to a large extent by price considerations. Total imports over the last two years have not exceeded US$100 million a year.

Canada's principal export to this market is wheat, followed by newsprint, machinery and parts, leather, and purebred cattle. Canadian sales to Ecuador in 1955 totalled $4·9 million, and in the first six months of 1956, $3 million, compared with $2·7 million in the same period of 1955.

Import and Exchange Regulations

All Ecuadorean imports are subject to import licensing. Imports are grouped in two lists: List 1 (essentials) and List II (non-essentials). Both lists require prior deposits based on the f.o.b. value of the shipments and rising as high as 100 per cent for List II items. Prior deposits must be made with the Banco Central in the relevant currency before import licences are granted. Measures taken earlier this year established a long list of prohibited imports. (This list is available on request from the International Trade Relations Branch, Department of Trade and Commerce.) So far no move has been made either to add to or subtract from this list.

On July 13th, under the terms of Executive Decree No. 27, the Treasury was authorized to impose customs surcharges on imports from countries which have an unduly favourable balance with Ecuador. Canada is not subject to this decree because it does not apply to countries which have a trade agreement with Ecuador. Although the U.S. has no trade agreement, U.S. exports are also exempt from such surcharges, because of the trade balance position.

The experience in Ecuador over the years is that there have been no delays in granting foreign exchange cover against valid import licences.

A Look at the Future

Several developments promise well for Ecuador in the next few months.

- Exports of bananas are the main source of Ecuador's foreign exchange (bananas are Ecuador's chief export to the U.S. and Canada), and shipments remain high.
- Coffee will undoubtedly do better this year, with better prices and a higher-quality crop.
- Cocoa should bring higher returns than during the past several months.
- A good rice harvest has provided larger quantities for export. A recent shipment of 500 tons was made to Canada.
- There appears to be a steady improvement in the balance-of-payments position which, if continued and amplified in the last quarter of this year, should lead to a gradual easing of import restrictions in the first half of 1957.

Data for Exporters

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Belgium, Belgian Congo, Bolivia, Brazil, Chile, Colombia, Cuba, Dominican Republic, Egypt, Finland, France, Western Germany, Greece, Guatemala, Haiti, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Nicaragua, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland, United States and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.

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Cuba

Concessions on customs duties and internal taxes to stimulate industrialization and development programs offer openings to Canadian exporters, despite substantial tariff preferences on nearly all goods from the United States.

J. E. O'NEILL, *Commercial Assistant, Havana.*

THE UPSWING IN CUBA'S ECONOMIC ACTIVITIES that got under way in the early part of 1955 continued throughout the year and has shown no sign of decline during 1956. Accelerated sales of sugar to world markets, continued large expenditures on public works and private construction, and expanded foreign investments in mining and petroleum exploration and in new industries have helped sustain a high degree of prosperity. The Government announced a balanced budget this year after four years of deficit operations. Although there were signs of a seasonal slump in consumer purchasing, business conditions in general were satisfactory. It seems likely that this year will be one of the most prosperous since the war.

Sugar Industry Thrives

The 1956 sugar harvest season ended on June 25th returned 4,599,887 tons of sugar, slightly less than the 4,600,000 tons fixed by government decree. Exports of 2,925,497 tons of sugar from January 1 to July 15 were approximately 5 per cent higher than in the same period of the preceding year. With continued improvement in world markets, most of the reserves of sugar carried over from previous crops should be disposed of before the 1957 harvest begins. Because there was a shortage of cane, the production of high-test molasses fell from 231 million gallons in the 1955 season to 111 million gallons this year.

The industry recently introduced a new product, a form of green sugar for cattle feed; production reached an estimated 44,000 tons of which 40,000 were exported.

Improved sugar sales this year, particularly in the world market, have prompted the industry to set a higher target—five million tons or more—for next year's production.

Little change is reported for the minor crops except for coffee and rice. Coffee production set a new record in the 1955-56 harvest: output rose to 1·18 million cwt. from 837 thousand cwt. in the 1954-55 season. This year's export allotment (about 405 thousand cwt.) is already sold and shipped, with 305 thousand cwt. going to the United States and Canada and the remainder to Europe and Asia. Estimates for the 1956-57 crop have placed production at one million cwt., roughly 2 per cent of world coffee production.

The rice crop is expected to drop 25 to 30 per cent because of losses from an unknown disease that has spread into rice-growing areas. As a result, a number of planters have converted rice paddies into pasture land. For the present, there appears to be little likelihood of further expansion of rice growing. Over the past three years rice production has risen sharply and reached almost one-half of the country's yearly requirements (about 350 thousand tons).

Industries and Public Works Expand

Private construction and public works programs have contributed greatly to Cuba's present prosperity. Building permits issued for the Havana area for the first seven months of the year totalled $34·8 million, about 8 per cent higher than corresponding figures for 1955.

The cement industry is operating at full capacity, but Cuba still depends on foreign sources for a large part of her needs. This situation has encouraged the construction of two new cement plants on the island—one by the Cuban Portland Cement Company near Havana, and another at Gibara in Oriente Province by the Foundation Company of New York. Combined production and imports of cement during the past year totalled 15·5 million bags, an increase of over one million bags over the previous year.

Early in July, the Owens Illinois Glass Company commenced work on a multi-million dollar bottle and container plant at San Jose de las Lajas, Havana Province.

Industrial processes that use sugar-cane bagasse for the production of pulp, paper and by-products are arousing considerable interest here and attracting new capital investment. One such processing plant to make newsprint is already under construction at Cardenas, Matanzas Province; there are plans to establish a kraft paper mill in the interior. The capacity of both mills is placed at 30,000 tons a year. A third bagasse paper mill to make wallboard is also under consideration.

In the public utilities field, the Cuban Electric Company (Compania Cubana de Electricidad) has announced a five-year expansion program involving

an outlay of $14·7 million for new plants and transmission lines. The company will more than double generating capacity and erect over 1,200 miles of new transmission lines.

The Government's public works plans provide for continuous heavy expenditures on road construction, harbour dredging, hospitals, parks, hydro-electric development, and other public improvement projects.

National Income Rises

Continued improvement in the national income was indicated at mid-year and was estimated at Cuban pesos 2·1 billion; gross national production was set at more than Cu.p. 2·4 billion. (The Cuban peso is worth $1.00 U.S.)

According to the balance statement of the Banco Nacional for June 30, 1956, official international reserves were 10 per cent higher than one year ago and totalled $574 million. Bank clearings and money in circulation also gained substantially during the year.

How the Economy Has Improved

January 1st to April 20th (converted to millions of $US)

	1955	*1956*	*%*
Budget revenues	108	120	+12
Private salaries and wages	224	233	+ 4
Money in circulation in public hands	927	935	+ 0·9
Havana bank clearings	1,657	1,913	+15
Value of building permits (Havana Province)	18	21	+17
Consumption of electricity (millions of k.w.h.)	308	346	+12
Foreign trade			
Imports—total	163	185	+14
Exports—total	210	231	+10
Sugar—raw	139	143	+ 3
Sugar—refined	22	23	+ 6
Minerals	10	12	+17
Tobacco	14	15	+ 9

The Government's budget for 1956-57 provides for expenditures of Cu.p. 330 million compared with Cu.p. 313 million in the previous fiscal year. Revenues were only one million pesos short of the budget this year; the amount last year was 5·2 million pesos less.

U.S. Dominates Trade

Cuba's imports during the year 1955 were valued at $495 million and exports at $594 million, as against $488 million and $539 million respectively in the previous year.

Most of Cuba's foreign trade is carried on with the United States. These two countries have a reciprocal trade treaty under which both enjoy a substantial tariff preference on practically all commodities.

According to DBS figures, Cuba's imports from Canada during the first half of 1956 totalled $6,784,569, compared with $7,766,265 in the same period last year; exports to Canada up to the end of June totalled $7,542,626 this year as against $5,779,912 last year.

Apart from the exclusive tariff preference granted the United States, the chief competition for Canadian exporters has come increasingly from Europe, especially for hardware, machinery, chemicals, pharmaceuticals, and construction materials. Cuba's Industrial Stimulation Law, under which new enterprises are granted exemption from customs duties and internal taxes, and government development programs offer promise for Canadian exporters, because the U.S. tariff preference does not operate in such cases.

Many new industries have been established in Cuba in the past two or three years; numerous others have applied for the tariff exemptions and domestic tax privileges provided by the law. Notable among these are a copper wire and cable industry; a plant for the production of aluminum extrusions, sheets and foil; a glass and bottle factory; sugar-cane bagasse paper and board plants; improvements in textile manufacturing; and the exploration and development work that the petroleum and mining industries are carrying out. Other market possibilities are offered by the electric power expansion program and the railway improvement program, which includes roadbeds and rolling stock.

Uruguay Plans Power Project

Uruguay's plans for power development moved forward recently when the World Bank announced the granting of a loan of 25,500,000 pesos to the organization which looks after government-owned electric light and power projects. The money will help finance the Baygorria hydro-electric power plant to be built on the upper Uruguay River at a cost of 58 million pesos. The loan will be made partly in German marks, and partly in Swedish crowns, Swiss francs, and various other currencies. Guaranteed by the Republic of Uruguay, it will be repaid over a period of 25 years, with interest at 5 per cent.

The 32,500,000 pesos which the project will cost over and above the World Bank loan will be supplied by the Administracion General de las Usinas Electricas from its own resources and from loans which it will promote within Uruguay. The 58-million-peso total will cover building of the dam and extension lines and the obtaining of the powerhouse turbines and other equipment.

Dominican Republic

Progress of last few years continuing, with mining, construction, agriculture and manufacturing sharing in boom. Republic becoming good market for Canadian products outside the traditional exports, including manufactured goods.

M. B. BURSEY,
Commercial Counsellor, Ciudad Trujillo.

THE DOMINICAN REPUBLIC, an island nation in the heart of the Caribbean, has a fast-growing population of approximately 2¾ million. Politically stable and economically sound, it has made strides in recent years: in 1955, for instance, a $25 million International Fair was held in the capital. The highway, pure water and electrical systems have been completely rebuilt in recent years; a medium-sized port with excellent facilities has been provided at Ciudad Trujillo and three more are under construction; two multi-million dollar bridges were opened this year, and the building of three colourful luxury hotels has completely changed the prospects for tourist business in the Republic.

The basic wealth of the country lies in its extraordinarily rich soil and the chief cash crops are sugar, coffee, cocoa, tobacco and rice. On the other hand, a program of diversification of industry is in full swing, with government aid. The new industries set up include cement plants, a shoe factory, a dress factory, a unique green glass factory, sisal plants, fully automatic meat-packing plants and dairies, a new furfural plant and a machine tool and armament works which is branching out into the manufacture of household appliances.

Mining has captured Dominican and foreign attention alike during the past two years and reached a new peak during the past twelve months. On the basis of present widespread exploration, mining ventures should double present production within the next ten years. Deposits of bauxite, salt, nickel, gypsum, copper and oil are currently being explored and in some cases exploited.

Construction of new buildings for manufacturing industries, apartments, houses and private business establishments has leaped ahead during the past year at a rate far surpassing that of any recent year.

Sales Opportunities Increase

Such rapid progress has naturally expanded sales opportunities in this market. Imports into the Domini-

This sugar cane piled up at a sugar mill in the Dominican Republic will shortly be put through the grinding process. Sugar ranks as the chief cash crop, followed by coffee, cocoa, tobacco and rice. The Government is making efforts to cut down the degree of dependence upon agriculture and provide more employment opportunities by encouraging industries of various types.

can Republic during the calendar year 1955 totalled RD$98 million. (The Dominican peso is worth $1.00 U.S.) The main suppliers were the United States (RD$63 million), Netherlands Antilles (RD$5·7 million), Germany (RD$4·1 million), Canada (RD$3·9 million), the United Kingdom (RD$2·9 million), Japan (RD$1·9 million) and France (RD$1·8 million). During the first seven months of 1956 Canadian exports to the Dominican Republic reached a total value of $2·8 million, compared with $2·3 million for the seven-month period of 1955, a 20 per cent increase.

The soundness of the Dominican export-import picture has been demonstrated over the past ten years. Consistently exports to have exceeded imports from most countries and the Republic is firmly "in the black". For example, last year its imports reached $98 million but exports totalled $114,850,000. The first seven months of this year show an even larger favourable balance of trade, with exports ($76 million) exceeding imports ($54 million) by $22 million.

Thus the Dominican Republic has combined internal expansion with a sound external trade.

Market for Canada

Traditionally Canada's principal exports to the Dominican Republic have been cured and canned fish, flour, tires for automobiles and trucks, copper wire (bare and insulated), newsprint paper, and macaroni and spaghetti. Undoubtedly the steady sales of these commodities will continue and gradually increase in the years to come. On the other hand, trade traditions must now give way to the realities of an expanding Dominican market in which opportunities for the supply of more highly finished manufactures arise daily. Such opportunities fit in well with Canada's growing capacity to produce these goods. Nevertheless, exporters should realize that Canadian products, to be sold here, must meet the keenest competition from American, German, Dutch and Japanese industries which are rediscovering the Republic as a good, though limited, market.

Not all the opportunities for increased Canadian exports are future or potential. During the past year many new Canadian goods (mainly manufactures) have been successfully introduced here. These include electric meters and parts, building and insulating board, paperboard, quality writing paper, iron and steel hardware, cellulose products, combs, purebred cattle, upper leather, mining machinery and parts, synthetic resin manufactures, iron and steel bars, paint and other brushes, canned fruits and vegetables, woven synthetic fibre fabrics, fibre piping, etc.

Without doubt, the demand for these as well as for other products will grow. There are good immediate and future prospects for the sale of construction materials (iron, steel and aluminum), aluminum transmission cables, domestic and industrial hardware, consumer goods, and purebred cattle. An interesting sidelight on purebred cattle is the opportunity for Canadian participation in the Dominican annual International Cattle Fair. Our participation last year excited favourable interest among the Republic's leading cattle breeders. This interest may well be translated into sizable purchases of superior Canadian animals over the next two or three years.

Points for Exporters

It is not difficult to sell to the Dominican Republic. The Dominican peso is and has been for many years at par with the United States dollar. There are no import restrictions except on such things as explosives and a few products such as air conditioners which are manufactured locally. Price, however, is the governing factor and Canadian exporters must compete with eager suppliers from other countries. Canadian goods are subject to the m.f.n. customs duties as are those of other countries such as the United States, the United Kingdom, and other GATT members.

There are a few other points for the exporter to keep in mind. His correspondence should be carried on in English or Spanish, preferably the latter; French is not generally understood. He should quote prices in U.S. dollars on the basis of c.i.f. Ciudad Trujillo, rather than f.o.b. some Canadian shipping point. He should avoid shipping on consignment; usual terms are banker's letter of credit, sight draft, and on some goods 30 to 60 days' draft. A local representative should be appointed, because agents situated in other countries cannot canvass this market properly, and are not made welcome by Dominican buyers. Saguenay Terminals Limited operates a fortnightly steamship service from Montreal and Halifax to Ciudad Trujillo.

Prospects for Canada's potential trade with this financially sound and expanding market have never been better. As the Republic moves more rapidly into a period of industrial diversification, mining exploitation and agricultural expansion, the opportunities for Canadian participation in such progress should steadily increase, to the mutual benefit of both countries.

NEW STEAMSHIP SERVICE—Flota Mercante Grancolombiana S.A. has extended its service from north Pacific Coast ports, such as Vancouver, to Callao, the port of Lima. Ships of the line operate on a 25-day service and have freezer capacity as well as facilities for handling general cargo.

Puerto Rico

Two-thirds of Canadian exports of $9·7 million to this market last year consisted of salted codfish and lumber. But industrialization program may open up market for Canadian raw materials, or for goods able to meet U.S. competition.

M. B. BURSEY,
Commercial Counsellor, Ciudad Trujillo.

THE COMMONWEALTH OF PUERTO RICO, the most easterly island of the Caribbean Greater Antilles, is an unincorporated territory directly under the administration of the United States Congress. In fact, it was the first overseas Commonwealth of the United States. Although the island is small in area (only 3,435 square miles) it has a population of about 2¼ million.

As a result of its close relationship with the Continental United States, the Puerto Rican economy has expanded at a phenomenal rate. The following facts give the highlights of this progress:

- During the fiscal year ended June 30, 1955, merchandise imports increased by about $50 million to a record $583 million. Exports during 1955 totalled $377 million, of which $364 million went to the continental United States.

- Imports of foreign capital increased substantially from $74 million in the fiscal year 1953-54 to $104 million in the fiscal year 1954-55.

- Net Federal Government transfer payments to individuals and businesses rose to a total of $63 million in the fiscal year 1954-55, compared with $41 million in 1953-54.

Industrial Output Growing

The volume of business in practically all of the municipalities of Puerto Rico has risen sharply since 1949. Although Puerto Rico is principally an agricultural country, producing substantial crops of sugar, coffee, tobacco, citrus fruits, coconuts and pineapples, the value of manufacturing industries reached almost $500 million in 1954, according to preliminary results of the census of manufactures in that area recently released. This census, undertaken jointly by the United States Bureau of the Census and the Bureau of Economics and Statistics of the Puerto Rican Planning Board, covered 1,938 establishments which reported gross receipts of $481 million, wages and salaries of $83 million, and an average employment of 69,000.

The almost complete orientation of Puerto Rican manufacturing to the needs of the mainland market is amply demonstrated by the fact that 53 per cent of the gross receipts in 1954 came directly from sales to the Continental United States. Industries producing mainly for the domestic market were food products (except sugar), furniture, printing and publishing, chemicals (mostly fertilizers), and stone, clay and glass products. All of the remaining industrial groups of any significance depend heavily—in some cases entirely—on the Continental United States market.

Tax-Exempt Industries

The Puerto Rico Industrial Development Company, a government-backed agency, was established by law in 1942 to assist in the development of industry, study available resources, engage in research and experiment, and finance the establishment of private enterprise. Up to mid-1954, the company had assisted, either financially or technically, in setting up about 348 new industries. As a further step, the Commonwealth Legislature established in 1950 the Economic Development Administration to speed the economic development of the island. This Administration consists of the Puerto Rico Industrial Development Company, the Transportation Authority, the Office of Tourism and Departments of Research, Economic Research, Promotion and Public Relations, and Publicity. Hence it has at hand almost all the elements for planned assistance in economic development within the private enterprise framework of the economy.

The Tax Exemption Act approved by the Island Legislature in 1947 granted total property and income tax exemption until June 1959 to new industries, with a further three-year period of graduated taxation which will end in 1962. This tax exemption arrangement was the most important of the many inducements designed to attract a share of the huge expansion which was taking place in U.S. industrial production in the early postwar years.

The effect of these special tax arrangements, a completely tax-free period, is unique in U.S. history and has spurred new industrial enterprise in Puerto Rico.

Canada's Trade with Puerto Rico

Canadian exports to Puerto Rico for the calendar year 1955 amounted to $9·7 million, a 25 per cent increase over the previous year. For the first seven months of 1956 these exports totalled $6·3 million, compared with $5·8 million for the corresponding period of 1955.

uerto Rico is Canada's principal market for salted odfish and during 1955 exports of this commodity ached $4·2 million. Other principal exports were: mber ($2·3 million), newsprint ($1·3 million), malt $442 thousand), machinery and parts ($316 thousnd), whisky ($137 thousand), and table potatoes $94 thousand).

uring the first six months of this year, Canada's sales Puerto Rico totalled $5·7 million, up $558 thound over the same period last year. Exports of table otatoes to this market reached $551 thousand for e half-year, more than five times sales for the whole last year. The figures for salt cod, however, showed at the half-year sales of this commodity had declined $1·7 million from $2·2 million in 1955. Lumber les were up substantially over last year as were ose of machinery and parts; sales of newsprint, malt, nd whisky all decreased slightly.

nports into Puerto Rico from the Continental United ates or its dependencies are not subject to customs uties; imports from foreign countries are subject to e same customs duties which apply in the Continental nited States. Collection is made at Puerto Rican orts by the United States Customs Service. In addion certain manufactured articles, imported or sold Puerto Rico, bear revenue sales taxes imposed by e Commonwealth of Puerto Rico.

ecause Canadian products entering Puerto Rico are ubject to customs duties, the prospect for substantial les of a wide variety of Canadian manufactured ticles is not bright. Such goods would have to ompete with similar United States manufactures which nter free.

pportunities for Raw Materials

n the other hand, there are sales possibilities in uerto Rico for Canadian manufactures which can eet the competition in the Continental United States. n addition, raw materials for the tax-free manufacuring industries in Puerto Rico also offer sales possilities. These manufacturing firms produce a conderable variety of products, such as plastic materials all kinds, women's lingerie, men's suits, cardboard ontainers, paper bags, institutional chinaware, elecical parts and assemblies, fertilizers, foundry prodcts, fur coats and jackets, handbags, hosiery, insectides, paints, pharmaceutical products, rayon fabrics, oes, tannery products, etc. The wide range of new uerto Rican industries offers much scope for Canadian uppliers.

here are no import restrictions in Puerto Rico and the gal currency is the United States dollar. Like many ther Caribbean countries, this is a price-conscious arket. Canadian exports must be offered at prices ompetitive with similar products supplied by the Connental United States and other countries.●

Guatemala

Last year brought adverse trade balance for first time since 1951, but position basically sound, with good coffee crop selling at good prices. Trade with Canada running closely in balance, with prospects for larger sales in number of lines.

H. W. RICHARDSON,
Trade Commissioner, Guatemala City.

GUATEMALA, the most populous of the six small countries in the Central American isthmus, has an agricultural economy that has prospered since the war. Main reason for this prosperity is the considerable rise in prices for its high-quality mild coffee, which continues to account for 80 per cent of total exports. One measure of the basic strength of this economy is the fact that its currency has remained at parity with the U.S. dollar since 1925. This parity has survived the depression of the thirties and the five years of economic and social experiments of the left-wing administrations that ended in 1954.

Coffee Outlook Satisfactory

Coffee production, so vital to Guatemala, increased 7 per cent in the crop year just ended and future prospects appear excellent. Meanwhile, prices have risen steadily for the Central American mild coffees; the premium paid by the market has increased from the old five cents a pound spread to over 20 cents a pound compared with Brazilian coffee. These mild coffee prices recovered strongly in 1956 from the drop early in 1955 and have held steady for several months. Meanwhile Guatemala is approaching its new harvesting season with the hope of the best crop in several years.

The 1955-56 coffee crop totalled aproximately 1·5 million quintals (about 100 pounds) of which 1·2 million were exported, with an estimated value of US$77 million. In the previous crop year, ended September 30th, 1·4 million quintals were produced and 1·2 million exported, with a value of US$68 million. Canada's purchases totalled Can. $1·3 million in the first six months of this year compared with Can. $1·4 million in the same period of 1955. The lead-

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ing buyers of Guatemalan coffee are the United States, the Netherlands, Belgium, Sweden, West Germany and Canada.

Other Leading Crops

Bananas, which account for almost 10 per cent of total exports, are recovering from the extensive hurricane damage of 1955 and it is expected that almost 5·5 million stems will be shipped abroad this year.

Maize, which is the principal crop for local consumption, improved to an estimated ten million quintals for 1956, making unnecessary further shipments of U.S. surplus corn. Production last year dropped to eight million quintals. The yield of beans this year is large enough to fill local demand. On the other hand, wheat production dropped to 400 thousand quintals from 431 thousand the previous year. This means that Guatemala will have to import about 30,000 tons of flour and 8,000 tons of wheat. Flour imports from Canada and the United States are declining but wheat shipments from U.S. surplus stocks and from Canada are increasing rapidly as Guatemalan consumption of wheat flour continues the upward trend of recent years.

Following the doubling of acreage since 1953, raw cotton producers are facing problems this year because of the U.S. surplus disposal program. As a result, land planted to cotton for the next crop is reported to have dropped by 39 per cent and financing problems are predicted for the crop just harvested, which suffered also from untimely rains. This has been a keen disappointment to the growers, who had invested heavily in development costs, and to the government agency (INFOP) which has promoted this project. The Canadian textile industry has purchased Guatemalan cotton with good results.

The only other important exports are chicle, which is a Guatemalan specialty and which is recovering from the neglect of the previous administration, lemongrass oil and citronella oil, all of which are doing well.

In spite of a continuing heavy subsidy to local wheat production (a guaranteed price of US$3.60 per bushel) the crop dropped last season to 318 thousand quintals from 400 thousand the previous year, mainly because of poor weather conditions. This made necessary increased imports in 1955 of both wheat and flour. Recent regulations have been designed to eliminate flour imports as soon as possible but wheat imports are correspondingly higher. This left import requirements in 1955 at 9,000 short tons of wheat and 33,000 tons of flour.

Balance of Trade Adverse

In 1955, for the first time since 1951, Guatemala had an adverse balance with all countries; exports at $98·5 million and imports at $104·3 million were both records. The net deficit with European and Asian countries is usually covered by a surplus with the United States; last year this surplus exceeded $5 million. Trade with Canada, however, has been running closely in balance. Canada accounts for only 2½ per cent of Guatemala's total external trade and there is plenty of scope for expansion.

The gold and foreign exchange reserves of the central bank increased from August 1955 to August 1956 from US$54 million to US$66 million; sight liabilities in the same period increased only from US$78 million to US$85 million. The ratio of reserves to sight liabilities, therefore, improved from 69 per cent to 77·5 per cent during the past twelve months.

Main Economic Trends

Much of Guatemala's unusual trade deficit is being financed by external loans totalling about $50 million. These loans are for an extensive road construction program, including the building of this country's sector of the Inter-American Highway, which should be completed late in 1957. Other main projects include a new road to the Caribbean coast ports of Santo Tomas and Puerto Barrios, and the completion of the Pacific highway, paralleling that coast some 30 miles inland. These highway programs are increasing the usual U.S. share of the Guatemalan market because in some cases the loans are conditional on Guatemala buying only U.S. equipment and supplies.

On the other hand, West Germany, which had just gained second place in this country's trade, is now faced with a complete embargo on all private trade. This prohibition of German imports took effect in the latter part of this year as the result of a dispute over the non-return of German-owned coffee estates that were nationalized during World War II. This prohibition has resulted in new opportunities for exporters of other industrial nations.

Another very important development, particularly for the future, is the rapid progress in granting oil concessions to some dozen large U.S. and British companies under the new liberal Petroleum Act of 1955. A full-scale oil exploration boom is getting under way and oil is expected to be gushing within 18 months.

Trading Opportunities for Canadians

During the past year the Government made new regulations which will cut down flour imports drastically. Ostensibly this was done to protect domestic wheat producers but actually it benefits the local flour millers much more. As a result, imports of Canadian wheat are increasing and are expected to reach 5,000 tons a year, with Alberta Red Winter No. 2 the most popular variety at present. The potential market may

be 40,000 tons after a large new flour mill project is completed in 1958.

One of the most significant trading events of this year was the first large-scale import into Guatemala of purebred cattle in decades; Canadian breeders are supplying about 350 of the 425 animals being purchased abroad during 1956.

It is also clearly possible to sell more Canadian newsprint, tanned side leather, asbestos, machinery, malt, oil exploration equipment, and many consumer goods in the Guatemalan market, which is free of import licences (except for flour and wheat) and free of all foreign exchange difficulties. For this reason, competition is keen and exporters must offer good prices, attractive payment terms (usually sight draft d.o.p.), good representatives, and only medium or fair qualities. Firms anxious to obtain suitable local representatives should consult the Trade Commissioner in Guatemala City.●

Costa Rica

Canada has lost some ground recently in this intensely competitive market but sales holding up well for flour, newsprint, leather, powdered milk, agricultural and office machinery, rubber tires, and some chemicals. Canadian exporters have not realized the full market potential in many cases and need to exert more sales effort—Costa Rica is our best market in Central America.

J. R. MIDWINTER,
Assistant Trade Commissioner, Guatemala City.

BUSINESS ACTIVITY IN COSTA RICA has declined somewhat during 1956, with both agricultural output and export earnings down. The long-term outlook, however, remains favourable.

With ready cash in short supply and collections difficult, some merchants found themselves in financial straits. Most businessmen were cautious about introducing new lines of imported goods, especially those with a limited sales potential or subject to high duties, such as whisky and canned goods. The Government, with its revenues falling behind budgeted expenditures, was forced to float a bond issue for 15 million colones (US\$2·3 million at the free rate of exchange) to meet current expenses.

During 1955 exports fell sharply in value, reversing the upward trend of recent years. Shipments, at US\$78·9 million, declined nearly US\$6 million from the record export figure of 1954. Imports, however, continued to rise and, with a total c.i.f. value of US\$87·5 million, exceeded exports by US\$8·6 million. This was Costa Rica's first unfavourable trade balance for several years. This slump in exports has continued in 1956. On July 31 international monetary reserves in the Central Bank totalled only US\$19,-956,000, compared with US\$29,235,000 on July 31 last year. It is probable that export earnings for the full current year will fall even lower than in 1955 and a further drop in foreign exchange reserves is likely.

Crop Conditions Affect Exports

Agriculture is the main prop of Costa Rica's economy; it employs over half the working population and provides practically all the export earnings. Costa Rica's earning power is therefore extremely vulnerable to adverse weather conditions and international price fluctuations for farm crops, both of which are beyond its control. During the past year these factors have worked against Costa Rica. Excessive rain, storms and floods caused extensive damage to the two principal export commodities, bananas and coffee. Lower yields of crops for local consumption made large imports of corn, rice and beans necessary during both 1955 and 1956. Costa Rica is normally self-sufficient in these basic foods.

Unofficial estimates placed banana losses at nearly four million stems during 1955 alone (exports during that year, at 9·1 million stems, were more than one million below the figure for 1954). During the first months of 1956, output of bananas remained low and exports for the full year are not likely to rise above 1955, although production has picked up.

Exports of coffee from the poor 1955-56 crop totalled only 454 thousand quintals (1 qq.=101·43 lb.) at the close of the crop year on September 30. This was a drop of 31 per cent from the 662 thousand quintals exported during the 1954-55 season. Export earnings from coffee, despite higher average prices, declined US\$11 million to only US\$30·8 million.

Cacao, Costa Rica's third export commodity, has suffered from low prices on the world market during much of 1955 and 1956. Actually her cacao production has increased but total returns have sagged. Shipments in 1955 were valued at US\$5·9 million com-

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pared with US$8·2 million in 1954 and the decline has continued this year.

Better Conditions Expected

Fortunately, growing conditions have now improved in most farming areas and should correct the present situation. The outlook for the 1956-57 coffee crop appears excellent. Recent estimates indicate that production may exceed the record 1954-55 harvest of 738 thousand quintals. If prices remain as high as they are at present, export earnings from coffee might approach US$47 to $48 million. This would solve any exchange difficulties and maintain the country's ability to purchase foreign goods.

Prospects for other agricultural products are encouraging. The dairy and beef cattle population continues to grow and export of live animals for beef is now well established. During 1955, ranchers shipped 8,500 head valued at just under US$1 million to Colombia, Peru and the Netherlands Antilles. Future sales are expected to show modest but steady increases.

The Standard Fruit Company reportedly is planning to invest US$17 million over the next five years in new banana plantations along the Atlantic Coast. An active government road-building program is opening up other areas to individual farmers.

World Bank Loan for Farms

The Government is continuing its efforts to expand and diversify agricultural production by technical and capital assistance. It recently obtained a loan of US$3 million from the World Bank to finance imports of capital equipment for farms and processing plants. The loan funds will be turned over to the commercial banks to provide credits for importers to buy the required materials through normal trade channels.

Canadian exporters should note that, during the next year or two, Costa Rica will offer a market under this program for at least US$3 million worth of agricultural materials, including tools and implements; tractors, animal and tractor-drawn machinery; spraying, irrigation, well-digging and dairy equipment; fencing; drainage pipes; fertilizers, insecticides; breeding stock; farm power plants; machinery, equipment and building materials for storage and processing plants.

Construction and Manufacturing Expand

Although agriculture remains relatively more important, the activity of other sectors of the economy is speeding up. This, in part, has counteracted the poor showing of farm production during the past year.

The construction industry particularly has been a major employer of labour and resources; new building in the capital is now three times what it was in 1951.

—United Fruit Co.

Workers on a banana farm in Costa Rica harvest the fruit from a mature plant. The man on the left holds a "puya" with which he notches the plant at the top. The plant then bends under the weight, allowing the workers to reach the stem and cut down the fruit with a short-handled machete.

The value of work completed in San Jose during 1955 reached 33·5 million colones (about US$5 million) and this figure will probably be exceeded during 1956. Construction (chiefly of schools, low-cost houses, roads and bridges) is also active in other parts of the country and the industry has kept up a healthy demand for imported building materials of all kinds. A French engineering firm has completed a study of the Pacific port of Puntarenas on behalf of the Government; reconstruction and extension of the inadequate facilities there is a possible large-scale project for the near future.

Manufacturing is still relatively undeveloped and consists chiefly of small plants producing consumer goods such as textiles, shoes, soap, cigarettes, dairy products, beer, flour, soft drinks and spirits. Nevertheless, some interesting new developments are taking place, aided by a considerable improvement in the supply of electricity and the Government's sympathetic fiscal policy. A modern shoe factory is under construction at a cost of US$150 thousand. A large cement mill to be started soon will end Costa Rica's dependence on imported cement (59,000 metric tons in 1955).

Insecticides and fertilizer mixing operations are becoming important industries and mixed insecticides and related products are now exported to neighbouring countries. There are similar export opportunities for some pharmaceutical chemicals and other light indus-

trial products, the manufacture of which involves a fairly high standard of technical ability. Costa Rica possesses the most highly developed educational system in the Central American area and therefore has a relatively large body of technically-trained labour.

New Interest in Mineral Resources

New interest in Costa Rican mineral resources shows promise of bringing about a much-needed widening of the economic base of the country.

An American petroleum company is carrying out an active drilling program along the Caribbean coast near the border of Panama and has established the existence of oil. Although results are still indefinite, it appears likely that a field of commercial size will be proven eventually, with obvious and far-reaching consequences for the economy.

In the southeastern part of the country, two major aluminum companies are blocking out reserves of bauxite; production of alumina is a distinct possibility for the near future. Elsewhere, iron and manganese deposits are being investigated seriously.

Although actual development of any or all of these resources is still uncertain, the possibility is worth bearing in mind. During the past year or two, foreign companies, principally American and Canadian, have greatly increased mineral exploration throughout Central America. As the geological structure of the region becomes better known, significant mineral finds (which indirectly will expand the market potential for Canadian goods in the area) become increasingly likely.

German Trade More Important

Although the United States retains its dominant position as Costa Rica's chief supplier (with 60 per cent of imports in 1955), a significant realignment of the foreign trading pattern has developed over the past few years.

Exports to (and purchases from) Europe have increased steadily and West Germany is now in a position to challenge the United States as Costa Rica's best customer. In 1955 Germany bought 57 per cent of Costa Rica's coffee and 27 per cent of all exports. This year, 70 per cent of the coffee shipped went to Germany and a correspondingly greater proportion of other exports.

This development gives the German exporter a sympathetic reception in Costa Rica and a further expansion of German sales to Costa Rica may be expected. Germany, with shipments worth US$8 million in 1955, still runs a poor second to the United States. Canada is also a small but valued customer for Costa Rican products, chiefly bananas and coffee, to a total of $6 million last year.

Other important suppliers include the United Kingdom, Canada, the Netherlands Antilles (petroleum products), Japan, and countries of Western Europe.

Our Market Still Promising

Canada sold goods to Costa Rica valued at $2·9 million in 1955 (excluding a freighter transferred to Costa Rican registry) and $1·8 million worth during the first eight months of 1956. We have lost some ground recently in this intensely competitive but open dollar market, although sales of flour, newsprint, leather, powdered milk, agricultural and office machinery, rubber tires and some chemicals are holding up well. Only one small shipment of Canadian wheat has arrived in Costa Rica so far this year (1955 sales were worth $385 thousand) because of offerings of lower-priced American wheat. Manufactured and branded goods continue to find the going heavy in the face of stiff European and Japanese competition.

Although it has less than a million people, Costa Rica, with high per capita imports, is Canada's largest market in the Central American area. With practically no exchange or import controls, it offers further opportunities to exporters of farm machinery, flour, leather, newsprint, paper products, pharmaceuticals, building supplies, fertilizers, and other basic materials. Canadians have not realized the full market potential in many cases. For example, Costa Rica is a fairly large buyer of two commodities—copper sulphate (for treatment of banana and cocoa plants) and lard —both of which, conceivably, Canada could supply at competitive prices. In 1955, it imported copper sulphate valued at US$3·7 million and lard worth US$1·5 million, surely sufficient amounts to interest Canadian producers.

More Sales Effort Needed

Exporters should endeavour to visit this market at least once a year, explore means of shipment to avoid the expensive routing via New York, prepare documents carefully, quote c.i.f. prices and sight draft terms wherever possible, and generally make every effort to meet their competitors' prices, sales terms, and services. Manufacturers of branded goods should bear in mind that it is no easier to sell in Costa Rica without advertising than it is in Canada.

More Tractors

In the three years from 1952 to 1954, the number of tractors in use in Latin America increased by 20 per cent—from 175 thousand to 210 thousand—according to a recent FAO survey. This represented the third largest regional increase, following the Far East (55 per cent) and Europe (about 31 per cent).

El Salvador

Japan and West Germany making gains in this market at expense of the United States. Government is pushing industrial development to reduce dependence upon coffee returns. Canadian trade needs stimulation and services of first-class agents; potential appears excellent in many lines.

H. W. RICHARDSON,
Trade Commissioner, Guatemala City.

THIS SMALLEST CENTRAL AMERICAN REPUBLIC is the most densely populated and is fast becoming the most diversified in its economy because of recent industrial development. Already it has, after Costa Rica, the highest per capita foreign trade in this area. Its economy is still primarily agricultural and 85 per cent of its export trade still depends upon its high-quality "Central Standard" mild coffee. Even here, however, it has almost freed itself from dependence upon one market, the United States, by developing European outlets. Except for raw cotton, all main branches of the economy are thriving and El Salvador should become an expanding market for interested exporters for at least the next year and probably for much longer. El Salvador has no exchange or import controls and is consequently an attractive but highly competitive dollar market.

Coffee Situation Satisfactory

Although the last crop was down 10 per cent from the previous year's high—a result of the coldest January in decades—this was more than compensated for by the second highest prices in history. When one remembers that these prices are more than four times as high as ten years ago, one realizes how much the business life and import trade of El Salvador has felt the stimulus. Weather conditions have been good this year and the new coffee crop about to be picked shows excellent promise of equalling or exceeding the 1949 record of 1,084,000 bags of 69 kilos. Furthermore, the high prices in world markets for mild-quality coffee have shown considerable strength and stability for many months. European markets, particularly West Germany and the Netherlands, have been paying up to 3 per cent more than the United States, whose share of the market has dropped to about 50 per cent compared with almost complete domination a few years ago. Canada continues to buy 2½ per cent of this crop. The export tax on coffee, totalling almost $30 million this year, continues to be one of the main sources of national revenue.

Other Crop Prospects Mixed

Raw cotton, the second export of El Salvador, has continued to expand vigorously and last year's crop totalled 89,000 bales worth over $13 million. A 50 per cent increase in acreage this year brought high hopes, buoyed up by good crop estimates, until they were dashed by the announcement of the United States that it would throw its surplus stocks on world markets this autumn. A measure of the recent intensive campaign to stimulate cotton production can be seen from the 20 per cent increase during the year in crop-dusting aircraft which now total 130. Yields have been heavy and in spite of present marketing difficulties, important future production is assured for the Canadian textile industry which, according to Canadian statistics showing 1955 purchases of 1,070 short tons, has been absorbing 10 per cent of El Salvador's cotton exports. (Salvadorean statistics appear to credit the United States with these Canadian purchases since they went through U.S. ports in transit.)

White maize and rice, the staple items of the Salvadorean diet, were both deficient this year, requiring special imports, partly because of acreage diversion to cotton. Cane sugar continues its steady growth, with increasing surpluses for export. Local milk production in the eastern half of the country is being stimulated with the opening of a dried milk plant by UNICEF at San Miguel.

Foreign Trade More Diversified

El Salvador was the first Central American republic to exceed the $100 million a year mark in exports. Mainly because of the special attention paid to this country by West Germany and Japan, the dominance of the U.S. in the country's external trade is dropping steadily. Japan has furnished much of the capital and most of the machinery for the $2·5 million textile mill and buys 60 per cent of El Salvador's raw cotton exports. A four-man Japanese trade mission representing the municipality of Kobe visited the country in April and discussed the Japanese plan to use the Panama Free Zone to stock goods for all these Central American markets. Recent foreign trade figures are not available but it is certain that Japan has made progress in the import trade of El Salvador since 1954. Germany has ranked second only to the United States as a supplier of the country's imports and is now believed to have exceeded 10 per cent of the trade; this year its purchases of Salvadorean coffee jumped to over 30 per cent. Canada's share of El Salvador's total foreign trade is only 2 per cent.

Reserves of gold and foreign exchange have remained remarkably stable for the past few years, at close

ɔ the recent total of US$56 million—or more than ;alf the country's total annual needs of foreign xchange.

conomy Expands

El Salvador is the only Central American country with a large modern hydro-electric generating station, which was financed largely by a World Bank loan. A third unit is now being installed to increase the capacity from 30 to 45 thousand kilowatts.

In addition to the new textile plant and the dried milk factory, the following enterprises are just completed or under way:

- A new factory to make asbestos-cement products, including roofing, soil pipe, etc., began operations this year.
- The local cement company has just installed its second kiln and expects its production will soon double to two million bags a year.
- The local sack factory is installing all new machinery to increase its production from 1½ to 8 million coffee sacks, providing a considerable export surplus.
- A soluble coffee plant to meet local demand and for shipping in bulk to the United States opened this year and is operating successfully.
- A new general insurance company financed with Salvadorean capital of US$400 thousand has begun business.
- A contract was signed in April with a German firm of building contractors, Salzgitter Industriebau Gesellschaft m.b.H., for the construction of an all-weather port at Acajutla to serve the rich coffee-growing district of western El Salvador. It will be able to accommodate up to four 12,000-ton ships alongside the wharf simultaneously, with a maximum hourly capacity of 400 tons, and will handle an estimated annual total of 360 thousand tons of cargo. Transfer of goods will be possible directly between vessels and trucks or railway cars. This new port of Acajutla is being built on the site of an old open roadstead and it is expected that it will be completed during 1958. El Salvador has two other Pacific ports: La Libertad, an open roadstead, and La Union near the Honduran border. The total cost of the project is expected to exceed $7 million.

The German construction company has undertaken to manage the port for a trial period of 60 days after it is completed and to instruct the port captain, manager and other technical officials in the operation of the facilities. An English firm of consulting engineers, Livesey H. Henderson of London, has been engaged to supervise the work, including inspection of materials before they leave Germany.

- A new fisheries law was passed, restricting fishing to Salvadorean firms and granting duty-free entry of equipment and exemption from taxes for five years.
- Several new banks have recently been organized and all banks are expanding vigorously.
- The best-paved network of highways in Central America is being extended, with a new 190-mile artery paralleling the coast.

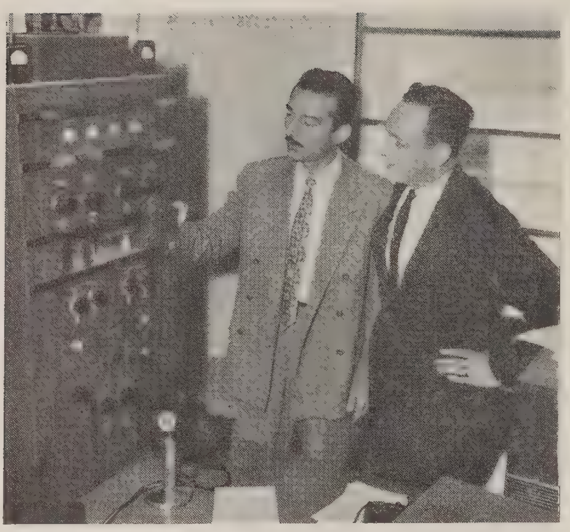
To stimulate this healthy diversification of the economy, the Government in July 1956 established the Instituto Salvadoreño de Fomento de la Producción (INSAFOP), or National Production Development Corporation, to free the country from future dependence on coffee. This state agency is designed to furnish private industries with technical, administrative, and financial assistance for approved projects. Apparently it is not equipped to go into business on its own.

Trading Opportunities for Canadians

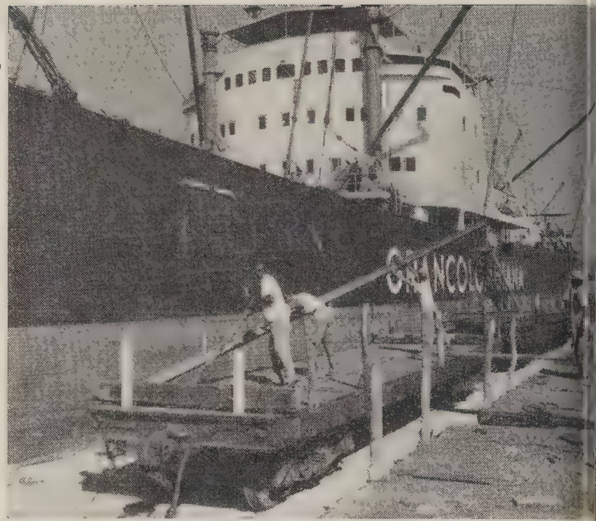
Canadian trade with El Salvador has apparently suffered from a lack of attention to this vigorously expanding market, partly because of the absence of any direct shipping connections from Canada's Atlantic coast. However, for East Coast exporters, transhipment facilities at the Panama Canal have improved; West Coast shippers have had direct and frequent service for some years from Vancouver. For example, negligible amounts of Canada's leading export, newsprint, have been shipped to this market in the last ten years, although there are excellent shipping connections for Pacific coast mills. The market had to find 90 per cent of its paper needs in the United States and in Europe (7 to 8 per cent) with Canada supplying less than 2½ per cent.

In addition to newsprint, there are excellent opportunities for sales in El Salvador of Canadian asbestos fibre, fishing equipment, flour, lumber, refined petroleum products, automobiles, trucks, tires, copper wire and cable, copper sheet, upper leather, canned salmon and sardines, fertilizers, insecticides, pharmaceuticals and some chemicals. Canadian products receive m.f.n. tariff treatment which places them on an equal footing with products from the U.S. and all other countries.

Because of the desirability of the market, competition is keen, and this makes first-class agents doubly necessary. It is suggested that the interested exporter contact the Canadian Trade Commissioner at Guatemala City as soon as possible, if it is impracticable for him to make a personal survey of the El Salvador market. ●



In Venezuela—The Assistant Canadian Commercial Secretary (r.) inspects Canadian communications equipment which Venezuela's largest industrial company has lately installed.



In Cuba—These steel rails being unloaded in the harbour in Havana are the first delivery against a large order which a Canadian company has received from a Cuban railway line.

CANADA

Canadian exporters are invited to contribute to this series photographs of their products in use or on sale in foreign markets. Photographs should be adequately captioned, protected for mailing, and addressed to: The Editor, "Foreign Trade".

In Mexico—The scene is the plant of a Mexico City cutlery manufacturer; the Canadian element is the long strip of nickel silver from which the operator is blanking spoons.

In Uruguay—These workers are standing among some of the cement products their employer makes from Canadian asbestos, including snug little houses for man's best friend, the dog.

In Brazil—When the sugar cane has been cut, the next step is to take it to the mill to be crushed. On this Brazilian plantation a Canadian tractor takes over the hauling job.

In Argentina—On Canadian newsprint, the historic first issue of "La Prensa" rolls off the presses, following the decree which revoked its expropriation and returned it to its owners.

in Latin American Markets

In the Dominican Republic—A Canadian company has found a market in the Republic for its fibre piping and conduit. Here a length of the company's four-inch pipe is being sawn.

In Colombia—Ibague, capital of Tolima Province, displays its Canadian-made fire-trucks. The Canadian maker expects to sell 10 to 12 fire-trucks in Colombia by the end of the year.

Honduras

Conditions have improved, with larger exports of bananas and coffee, at good prices. Trade agreement with Canada, effective in September, gives Canadian traders greater opportunities.

H. W. RICHARDSON,
Trade Commissioner, Guatemala City.

THE POSITION OF THIS AGRICULTURAL COUNTRY is much improved over last year, because of an increase in exports of bananas and a very good coffee crop fetching high prices. The construction of buildings and highways is going on apace and the production of electric energy has increased almost 20 per cent with a rise in industrial activity. Despite political uncertainties, internal trade is greater than in the last two years.

Good Crops Reported

Bananas and coffee are the main crops in Honduras, accounting for about 45 per cent and 30 per cent respectively of total exports. The export of bananas for 1956, estimated at 11 million stems, shows a remarkable increase over 1955, when exports dropped to seven million stems—the result of floods and strikes. This is due to normal weather and to the settlement of the banana workers' strike which paralyzed the industry in 1954 and part of 1955. However, movement of bananas is still not up to 1953, when 12·4 million stems were exported.

The coffee crop is excellent this year and exports high, with an estimated total for the year of a record 250 thousand quintals (about 100 pounds per quintal). The 1956 prices are the best in the country's history with the exception of 1954, and coffee will probably contribute a larger share of export earnings than ever before.

The public debt, although it was recently increased by a World Bank loan for US$4·2 million, remains low at about US$9 million. Commercial payments were somewhat difficult this spring because local establishments were over-extended. However, foreign exchange reserves began increasing again and by mid-year had passed US$25 million. The volume of money in circulation increased 17 per cent in the first five months of the year and this made it possible for the bank credit restrictions to be lifted.

Honduras is the only Central American market that is not centralized in the capital but is divided into two main trading areas—the north coastal plain with San Pedro Sula as its distribution centre near the Caribbean, and the central section around the capital, Tegucigalpa, near the Pacific coast. Transportation difficulties between the two and consequent costs are responsible for this division.

There is no direct shipping service from Eastern Canada to these Central American countries. Goods consigned to the north coast of Honduras may be shipped direct to Puerto Cortes on United Fruit Company vessels through New York and Boston or, with transhipment at Cristobal, by Canadian lines such as Saguenay Terminals. Goods from the east coast of Canada to the Pacific coast port of Amapala must all be transhipped at Cristobal, but Amapala gives good direct connections by several shipping lines from Vancouver to the capital city area.

Trends in Trade

No statistics have been published for Honduras since 1953 and this makes it difficult to report on developments. United States trade appears to have remained at the same level and the U.S. still supplies almost 70 per cent of the country's imports, with West Germany in second place and still gaining. Canada's trade has picked up considerably (almost entirely the result of sales of wheat flour) with exports to Honduras in the first half of 1956 totalling Canadian $338 thousand compared with $318 thousand for the same period last year.

This trade represents only 1·3 per cent of Honduras' import needs, leaving scope for further increases.

Opportunities for Canada

In July 1956 a most-favoured-nation trade agreement was signed by Canada and Honduras and went into effect on September 5, 1956. This places Canada on an equal footing with the United States and gives her a considerable advantage in many lines over all other countries, because only the United States and Canada have such agreements. Even for products for which the rates of duty are the same from all countries the conclusion of this agreement should have a favourable effect on business with Canada. Under the agreement, Honduran exports to Canada have also benefited from the reduced rates of the Canadian most-favoured-nation tariff; the general tariff was applicable before the new agreement.

Primarily because of the advantages accruing from the Honduras-Canada trade agreement, there are excellent opportunities for new or increased trade in Canadian sardines, flour, milk products, canned fruits, vegetables and meats, tires and tubes, some textile products, and

ne pharmaceuticals. Tanned leather, mostly side per leather, which was selling very well despite the evious tariff, should now do even better. On the port side, sales of Honduran bananas, coffee and nber in Canada should increase.

ere are no dollar problems in the Honduras market d in the lines just mentioned European or Japanese mpetition is not an important factor. Letter of credit y be obtainable for some goods but usually sight ift d.o.p. will have to be offered. It is particularly portant to have a good agent but this is not easy. is suggested that the Trade Commissioner at Guatela City be asked for his advice about suitable local resentatives for Honduras. ●

Nicaragua

arket offers good possibilities for Canadian porters of newsprint and other paper products, ilding materials, flour, leather, canned goods, d fertilizers. Business has been slow this year should pick up rapidly with good crops.

R. MIDWINTER,
sistant Trade Commissioner, Guatemala City.

E ECONOMY OF NICARAGUA continues to gress steadily although there have been some setks during 1956 and the sustained agricultural om of recent years has ended.

or growing conditions during the past season resulted a reduced output of cotton (156 thousand bales npared with 201 thousand bales in 1954-55); lower port prices made the situation worse. Coffee proction also slipped from 550 thousand quintals* in 54-55 to 516 thousand in 1955-56, although higher ces helped to offset the loss. Food crops also fered from the poor weather and from the fact that farmers concentrated on export commodities. Nicaragua had to buy rice, beans and other foods to meet domestic needs.

With the slump in export earnings, holdings of gold and foreign exchange dropped; by the end of August reserves had fallen to US$18·6 million compared with US$23·9 million on August 31, 1955. To conserve reserves, the Government cut the list of goods which do not require a deposit in national currency before an import order is issued. This tightening-up of exchange regulations has meant that orders for most consumer goods must now be covered by an advance deposit in national currency equal to 100 per cent of the c.i.f. value.

Commercial Activity Slower

As a result of lower agricultural income, and perhaps partly in reaction to the excessive rate of investment in capital equipment during recent years, commercial activity slowed down during 1956. Stricter exchange regulations and a general shortage of credit have aggravated the situation. Both foreign and domestic trade are running well below last year. Retail sales are spotty, and agricultural machinery and equipment especially have been moving slowly.

Business Should Pick Up

The outlook for Nicaragua's principal exports for the 1956-57 crop year is promising and business should now begin to pick up rapidly. Recent estimates place the cotton crop at about 200 thousand bales and coffee at 630 thousand quintals, which are well above last year's totals. Coffee growers are expecting record returns if prices continue high.

Nicaragua's other main export products are sesame seed, beef cattle, cane sugar, cottonseed, gold, lumber and ipecacuanha root. Together they yield about US$20 million a year or from 20 to 30 per cent of total foreign exchange earnings. These less important products provide invaluable insurance against the hazards of the international commodity markets. Nicaragua now has one of the best-balanced export economies in Central America and its income depends less than other countries in the area on the vagaries of one or two export staples.

Trade will be further diversified when La Luz Mines Ltd., a subsidiary of Canada's Ventures Ltd., starts producing on its Rosito property, Central America's first large-scale copper mine. Development work is now nearing completion.

The Government's development program continues to contribute to the country's present economic activity and future export potential. Projects now under way or completed include highways, electric power instal-

* quintal = 100 lb. (approx.)

lations, livestock and agricultural improvement, provision for a new telephone system, and school construction. With the assistance of a World Bank loan of US$3·2 million, work is to begin early in 1957 on rebuilding Nicaragua's principal port, Corinto. Congestion in this port has long restricted seriously the flow of goods to markets abroad.

Modest private investment has continued, mostly in residential and commercial construction; other projects include a large new hotel just started in Managua and a small television station. Nicaraguan investors have shown less interest in manufacturing than those of other Central American countries; despite government aid programs, new enterprises appear slowly.

Nicaragua's Exports Increase

Before World War II, Nicaragua's chief exports were coffee, gold and bananas. During the early postwar years, sesame seed gained in importance and replaced bananas as the country's third export commodity. Beginning in 1950, however, cotton became a major foreign exchange earner, with shipments rising from almost nothing to 39 per cent of total export values by 1955. Largely as a result of the boom in cotton, but also because of increased coffee exports at rising world prices, Nicaragua's total foreign trade tripled between 1949 and 1955 to reach a total of US$150 million, of which exports made up US$80 million and imports US$70 million.

During this same period, the relative importance of the United States market has diminished greatly as Europe and Japan have been buying most of the cotton as well as a growing proportion of the coffee. In 1955 the United States took only 37 per cent of Nicaragua's exports (in 1949 it was 64 per cent) followed by Germany, Japan, the Netherlands and the United Kingdom, in that order.

Canada Buys More

Canada has participated in this development, buying Nicaraguan cotton valued at just over a million dollars in 1955 and at $326 thousand during the first six months of the current year.* Canadian textile producers now appear to recognize Central America, chiefly Nicaragua, as a fairly important source of raw cotton, although not, of course, on the same scale as Mexico. Because of the new business in cotton, as well as larger purchases of coffee, total Canadian imports from Nicaragua jumped from a value of only $181 thousand in 1954 to $1·4 million in 1955.

U.S. Still Largest Supplier

As a supplier, the United States has retained its dominant position, although its relative share of Nicaragua's imports has declined from 81 per cent in 1950 to 65 per cent in each of the last three years.

How to Trad

Many of the problems that exporters encounter in selling to a single Central American country are common to the whole area. Businessmen seeking markets in this area may find the following suggestions helpful:

1. *Do not insist on large minimum orders. These are small markets and can absorb very little merchandise at one time. Money is expensive in Central America and even where the importer has sufficient funds, he does not like to tie up his cash in large stocks.*

2. *Do not expect a representative to be an expert in your line. In order to make a living, he must sell many different products and may also be a wholesaler, retailer and exporter. Usually, you must give an agent more guidance and assistance than you would a salesman at home.*

3. *These are price markets, with quality still a secondary consideration. A superior product may find a limited sale at a higher price but good agents will often not handle such a line if they cannot hope to build up a reasonable sales volume.*

4. *Standard sales terms in Central America are sight draft d.o.p., but longer terms are common. Central American banks do not normally present a draft for payment until after the goods have arrived in the Central Customs House and the buyer has seen them. Letters of credit are expensive to arrange in Central America (in Nicaragua they are prohibited except in special cases) and it is virtually impossible to sell most products on such a basis.*

Other important suppliers are Germany, the Netherlands Antilles (petroleum products), the United Kingdom, Panama (mostly re-exported goods of American origin), Belgium, Canada and Japan.

Canada's principal sales to Nicaragua include flour, copper wire and tubing, rubber tires, leather, newsprint and other paper products, agricultural machinery, sodium and calcium compounds, pharmaceuticals and explosives. Total exports have increased steadily over several years and reached a value of $1·8 million in 1955 (DBS figures).

Unfortunately, shipments have fallen off during the past few months partly because of competition from

5. *Quote all prices in U.S. dollars.*

6. *Wherever possible, quote c.i.f. Central American port or, failing that, f.o.b. a port with a direct sailing to the Central American country concerned. Very seldom will a prospective buyer take the trouble to calculate his own c.i.f. prices.*

7. *Make certain that your agent gives you precise directions for the preparation of consular and other documents and then follow them exactly. Even a small error may subject the importer to a heavy fine.*

8. *Lack of direct shipping service is probably the most serious problem confronting Eastern Canadian exporters to all of Central America except Panama. Use imagination in seeking the best means of delivery. Perhaps air freight from Canada or rail freight (or express) to Florida and onward shipment by air might be best for your product.*

Saguenay Terminals of Montreal operates a regular freight service from St. Lawrence and Atlantic ports to Cristobal in the Panama Canal Zone where transhipment is necessary for on-carriage to east or west coast Central American ports. A fairly rapid service is available to the former but on-carriage to west coast ports is subject to long delays.

9. *Send all correspondence, and particularly shipping documents, by airmail. It is amazing how many exporters slip up on this point.*

10. *Visit your customers as often as possible; invariably it pays. If your business is located in Montreal, some Central American cities are actually closer than Vancouver.*

11. *Reliable credit information on Central American firms is scarce and bad-debt collections are difficult. Your best protection is a reliable agent. Choose him carefully.*

12. *Packing should be as light as possible consistent with strength. Customs duties are generally levied on the basis of gross weight.*

13. *If you are selling a branded consumer item, give thought to an advertising program. Your competitors are probably already well-known.*

14. *If you are bidding on a government tender, you must quote firm prices. Most government purchasing agencies are strict about this point and a number of Canadian firms have missed contracts because of failure to comply.*

15. *It is almost always preferable to deal with Central American agents or importers directly rather than through a New York commission house. With a very few products, one agent can cover the entire area but generally it is necessary to have a representative in each country.*

16. *Above all, remember that Central America is a buyers' market and that competition from other suppliers is keen.*

—J. R. MIDWINTER,
Assistant Trade Commissioner, Guatemala City.

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ther suppliers and partly because of the depressed market within Nicaragua for certain kinds of goods. Exports during the first eight months of 1956 totalled only one million dollars compared with $1·2 million during the same period of 1955. Most serious is the decline in the value of flour shipped—from $553 thousand in the first eight months of 1955 to $358 thousand in the first eight months of 1956. This drop appears to be due entirely to the greater activity of United States millers and their ability to ship flour to Nicaraguan ports at prices lower than those offered by Canadian producers. During the same period, sales of Canadian agricultural machinery, tractors and parts slumped from $107 thousand to just $5,000. This decline results largely from previous overstocking and the consequent sluggish market within Nicaragua for farm machinery from any source.

Opportunities Still Exist

Nevertheless, with greater effort, the Nicaraguan market offers good possibilities for Canadian exporters, especially of newsprint and other paper products, building materials, flour, leather, canned goods and fertilizers. Nicaragua enjoys a very high international credit rating because it requires a deposit of currency equal to the full c.i.f. value for most consumer goods. This means that an exporter can ship with complete confidence that he will receive payment.

As the buyer is forced to tie up his money when ordering, it also means that the exporter must make every effort to make rapid deliveries. Although Nicaragua is considered a price market, importers are sometimes prepared to pay more to obtain their goods in the shortest possible time. The exporter must remember, too, that letters of credit are not permitted except in special cases; sight drafts or documents on payment are the usual terms insisted on by both Nicaragua's Central Bank and by the importers.●

Panama

Opportunities in Canal Zone restricted but those in Panama widened as result of new treaty between Panama and the U.S.; building of major oil refineries should mean greater purchasing power in Colon area; Panama attractive but competitive market for Canadian goods.

J. R. MIDWINTER,
Assistant Trade Commissioner, Guatemala City.

PANAMA'S ECONOMY has moved ahead strongly during the past year and the outlook for future expansion is promising. A booming construction industry, a thriving shrimp fishery, growing agricultural output, rising retail sales, more tourists and increased exports have all contributed to the brisk commercial activity now prevailing. The only dark spots are the fact that many workers in Panama and Colon remain unemployed and a number of businesses report reduced earnings, probably a result of the strenuous competition among foreign firms trying to sell in this small dollar market.

Foreign Trade Picture

Imports—always a measure of prosperity in Panama since much of the country's business activity consists of the resale of imported merchandise—totalled US$75·7 million during 1955, up from US$72·6 million in 1954. The first quarter of 1956 witnessed a further increase, with imports reaching US$19·8 million, compared with US$17·9 million during the same period of 1955.

Export trade rose substantially in value between 1954 and 1955—from US$16·3 million to US$18·5-$19 million. This apparently large deficit is covered by re-exports and the provision of goods and services to the Panama Canal Company, other United States establishments within the Canal Zone, Zone residents, and transients and tourists.

Bananas comprise three-quarters of Panama's exports and shipments in 1955 reached about 8·3 million stems, all produced by the Chiriqui Land Company, a subsidiary of the United Fruit Company and the Republic's largest single business enterprise. Exports almost doubled between 1953 and 1955. From this same source come also cacao, until recently Panama's second most important export, and abaca fibre.

Second place in exports is now held by frozen shrimps shipped to the United States by the prosperous and still expanding fishing industry. Exports have increased in value from only US$168 thousand in 1950 to US$2 million and US$2·7 million during 1954 and 1955. The industry now possesses a fleet of more than 150 fishing boats and, besides shrimp for export, produces a large quantity of fish for local consumption. A new factory is turning out fishmeal and another will soon be offering frozen fillets of corvina and robalo for export to the United States as well as for the local market.

Sales to Canal Zone Harder

Panama's relations with the vital Canal Zone are currently undergoing important changes as a result of the new treaty signed with the United States in January 1955. Some of these will be of interest to Canadian exporters.

The Panama Canal Zone, always a hard market to enter, will be even more difficult in future. Under the new treaty goods of Panamanian origin will be permitted to compete on the same terms as American. More important, on merchandise for resale in the commissaries of the Zone, Panamanian firms are to be given all consideration possible. Although suppliers in third countries are not specifically excluded, it seems clear that they will not be encouraged to make offers.

Zone Workers to Shop in Panama

On the other hand, all non-United States citizens living outside the Zone—and those Panamanians living inside are being moved out—will lose their commissary and duty-free import privileges after December 1, 1956. This means that some 13,000 wage-earners and their families will now buy in the retail shops of the Republic the articles they were formerly able to obtain duty-free in the commissaries of the Zone.

This additional sales volume will be substantial, perhaps as much as $US10 million a year according to some estimates. Canadian firms will now be able

to compete for the purchases of this relatively well-paid group on much more even grounds than before and exports to Panama should show a corresponding increase. Staples such as flour, salt cod, canned sardines and salmon particularly should benefit.

On balance, therefore, in view of the fact that very few Canadian firms had ever been able to sell to the Canal Zone, the new arrangements are a clear gain.

Efforts to Reduce Canal Dependence

Although the Canal, with all its ramifications, is still the backbone of Panama's economy and will remain so for the foreseeable future, many Panamanians have been anxious to see dependence on it reduced. This view has prompted the Government to make strong efforts to stimulate local manufacturing and agriculture.

In agriculture these attempts have proved quite successful and Panama, which formerly imported the bulk of its food, is now virtually self-sufficient in most basic foods except wheat and has an export surplus of sugar and beef cattle. To encourage farming, the Government a number of years ago instituted controls on the import of certain agricultural products. At present, imports of rice, coffee, beef and cattle for beef, leather, poultry, eggs, condensed milk, tallow and a number of other items are prohibited and whole milk powder, evaporated milk, tomato sauce, tomato paste and canned tomatoes, potatoes and a few other articles are strictly controlled.

The Government has also directly encouraged technical and financial assistance and, most important, has been carrying out an active program of road construction with the aid of U.S. Government loans and grants and a World Bank loan of US$5·9 million. Most of Panama's agriculture is carried on in the western part of the country and the difficulty of moving perishable food products to the Panama City market has always been the most serious block in progress towards self sufficiency.

In manufacturing, little has yet been done because of the smallness of the market and lack of natural advantages. Panamanian industry is still largely restricted to food and beverage processing and the manufacture of cement, some building materials, and a number of consumer products such as cigarettes and clothing.

The Government has granted a number of very favourable tax and other concessions, including more or less complete protection against foreign competition, in an effort to stimulate production of specific products such as evaporated and powdered milk, beer and leather. This policy will undoubtedly be continued. Preparation of a new Customs Tariff has been under way for the past two years. Publication is expected shortly and will probably reveal increased rates on many basic items. Canadian products receive in Panama tariff treatment equal to that accorded imports from the U.S. and all other countries under the present general tariff.

Two Oil Refineries Scheduled

Undoubtedly the biggest industrial event of the year was the news that two separate American and international groups had undertaken to build major oil refineries and satellite petrochemical works in the Colon area at the Caribbean end of the Canal.

Each of the two plants involves a minimum investment of US$33 million and, when completed, will consume 55,000 barrels of crude oil a day to produce a variety of petroleum products and petrochemicals, mostly for export. Each company already has put up US$700 thousand in cash with the Panamanian Government as evidence of good faith and, according to its contract with the Government, is to begin construction within 18 months.

Construction and later operation of industrial enterprises on this scale will obviously have a heavy impact on Panama's economy and on its future ability to buy Canadian goods. In particular, the projects should pump new vitality—and purchasing power—into Colon, where prosperity has been steadily declining for many years. It is interesting to note that either one of the refineries involves an expenditure larger than the current investment in manufacturing. At the end of 1954, 893 manufacturing establishments, mostly small shops, were credited with a total invested capital of only US$26·6 million.

Colon Free Zone Helps Traders

Meanwhile, Panama's traditional entrepôt trade resulting from its position as a world crossroads has been fostered by establishment of a duty-free port, the Colon Free Zone, (*Foreign Trade*, March 5, 1955) where goods may be processed, assembled, re-packed and distributed to neighbouring countries. In 1954, the last full year for which figures are available, the Zone received for re-export merchandise valued at US$26 million, including pharmaceuticals, textiles, razor blades, liquor, cigarettes, automobile tires, chemicals and various high-value items for which there are only limited markets in individual countries in the area. United States and Japanese firms particularly have made use of the facilities, often importing in bulk and breaking shipments down into small lots for delivery to individual customers by air.

In view of the difficult shipping situation between Eastern Canada and several Central and South American countries, some Canadian exporters of liquor, pharmaceuticals, chemicals and other products might find it profitable to follow the lead of their American and Japanese competitors.

Canada has lost some ground in the Panamanian market during the past year but, considering the severity of competition from other suppliers, the drop in sales has been small. Shipments in 1955 were valued at $2,524,000 compared with $2,587,000 in 1954 (after deduction of "Ships Sold", usually just a transfer of registry in each case). During the first six months of 1956, exports slipped further to $1,204,000 from $1,235,000 (again after deduction of "Ships Sold") in the same period of 1955.

Canadian Exports Drop Slightly

The performance of individual products in 1956, however, has been spotty. Sales of flour, salt cod, powdered milk, newsprint, rubber tires and copper wire, for example, have dropped; movement of such items as whisky, farm machinery, washing machines, radios, copper tubing and automobiles has improved. In the case of washing machines, radios and notably automobiles (37 shipped to the end of June), the increase appears to stem from the decision of United States firms to place at least some orders with their Canadian subsidiaries.

Panama, despite its smallness and the stiff competition from other countries, can be an attractive market for Canadian exporters. There are no exchange problems; English on labels or in correspondence and trade literature finds readier acceptance than in most Latin American countries; Panama is easy to reach from Canadian ports on both coasts; perhaps because of American influence, Panamanians are quicker to accept new products than the other Central American countries. The manufacturer of a new product will often find it advantageous to restrict his initial efforts to Panama. If his product will not sell there, it probably will not sell elsewhere in Central America or in many South American states.

Basic products such as flour, salt cod, newsprint, and various industrial goods continue to offer the best openings and fertilizers, appearing in 1956 as an export to Panama for the first time, offer new scope. Branded merchandise such as canned goods, liquor and consumer durables find heavy going against well-known American and European articles. For the introduction of such lines, an advertising program is probably necessary. ●

Haiti

Progress in development projects—irrigation and power, roads, bauxite and copper mining, and a flour mill—was a feature of year in Haiti. Good coffee yield at good prices contributed largely to export surplus of $4·5 million. Imports from and exports to Canada higher; Canadian exporters could improve sales in this market.

E. R. BELLEMARE,
Chargé d'Affaires, a.i., Port-au-Prince.

FROM THE STANDPOINT OF LEDGER-BALANCING, the last fiscal year in Haiti (ended September 30, 1956) was neither too good nor too bad. National revenue was estimated at $30·5 million, compared with $28·2 million in 1954-55, and the Government will probably end the fiscal year with a surplus of $4 million because of improved agricultural earnings. Expenditures for the first six months of the 1955-56 fiscal year totalled $17·8 million against receipts of $19·2 million, leaving a surplus of $1·4 million.

There are no official statistics yet available on exports and imports for the fiscal year 1955-56. Haiti's chief exports were, as usual, coffee, sisal, sugar, cotton, cocoa and essential oils. The coffee yield of 480 thousand bags of 80 kilos for 1955-56, at good prices, was the main reason for the surplus at the close of the last fiscal year. For the period October 1, 1955, to June 30, 1956, Haiti has shown an export surplus of $4·5 million, compared with a surplus of only $245 thousand for the same period last year. Coffee production for the 1956-57 fiscal year is estimated at 320 thousand bags.

Development Plans Mature

The real story in Haiti, however, is the progress in economic development. The Peligre Dam project, under construction for five years, was finally completed and the last stage of the irrigation canal network in the Artibonite Valley is under way. The next step will be the building of a hydro-electric power plant at the dam site. This dam and irrigation project will transform the large Artibonite area from a semi-desolate and dangerous valley into the main food production center of the Republic.

The city of Port-au-Prince, Haiti, as seen by the traveller coming in by ship. Haiti is becoming more and more popular with tourists; they increased in number by 21 per cent in 1955 over 1954. This and other developments are reflected in the buoyant business conditions, in the planned highways development, the setting-up of new industries, and the building going forward, particularly in Port-au-Prince.

A World Bank loan was obtained to repair roads and establish a road-maintenance program now under way. The prospect is for a larger loan from the same source to be applied to the building of a much-needed trunk highway to the south, once the maintenance system is functioning properly. The building of a new flour mill, the first in Haiti, also has begun and operation is scheduled for next year. Estimated capacity is set at 1,500 barrels a day. Concurrently, plans are being made to establish a cattle-breeding industry both to use the mill waste and to fill a gap in the national economy.

Bauxite and Copper Exploration

In the field of mineral development, the Reynolds Mining Co. has just about completed final preparations for exploiting its bauxite deposits at Mirogoane (road, dock, and other installations) and is supposed to begin moving ore early next year. A Canadian company, Consolidated Halliwell, is actively pursuing its copper mining operations at Terre Neuve, begun last year. Other exploration permits for copper have been obtained as well as for other minerals and oil, and there is definite improvement in that field.

United Nations and especially United States technical assistance is being continued at the same helpful rate, centering mainly in agriculture (improvement of cacao and bananas as well as other products), fisheries, irrigation, forestry, public health and education. Moreover, a mixed (U.S.-Haiti) Committee for Economic Aid actively promotes necessary projects in agriculture and public works, such as irrigation systems (including dams) and connecting roads.

In business, earnings from agricultural products were greater than last year. Already established industries such as textiles, cement, soap, handicrafts and drugs mostly gained or at least held their own. Building increased noticeably, at least in Port-au-Prince. Also, the flow of tourist visitors increased by 21 per cent over the previous year.

Trade with Canada Increases

Canadian exports to Haiti for the period October 1955 to August 1956 totalled $2,918,397 compared with $2,293,667 for the same period of 1954-55. Haitian exports to Canada rose also; for the period October 1955 to June 1956, they totalled $1,500,620 compared with $1,245,356 from October 1954 to September 1955. Canadian exporters might well pay more attention to the Haitian market; for a number of Canadian manufacturers, personal contact, advertising and competitive pricing could mean successful selling here.

A regular northbound shipping service from Haiti to Canada has been established by Saguenay Terminals Ltd. of Montreal, which is expected to improve trading conditions between the two countries.

Early this year, a Haitian Trade Mission visited Canada and was warmly welcomed in both official and business circles. This was the first such trade mission from Haiti to visit any country and it proved successful from the standpoint of publicity and business. The hope is that greater two-way trade will result from this and other steps designed to promote more friendly relations between Haiti and Canada.●

Mexico

Signs of Mexican progress evident on every side, with agriculture and industry increasing output, foreign investment up, and exports rising. Trade with Canada coming into better balance, with our sales in the Mexican market covering wider range.

C. O. R. ROUSSEAU, *Assistant Commercial Secretary, and* C. B. SMITH, *Office of the Commercial Counsellor, Mexico, D.F.*

IN 1955, Mexico attained one of the most favourable trading positions in its history. The dollar value of exports rose by $144 million over 1954 to a total of $760 million; imports reached $889 million, but the $129 million deficit on commodity trade was handsomely compensated for by a record volume of tourist business. For the first seven months of this year the value of merchandise exports increased to $490 million, compared with only $404 million for the same period of last year. The fact that, during the same seven months, imports exceeded exports by $123 million did not affect the steady economic progress which the country is making.

Milestones of Progress

Among the statistics bearing out this progress are the following:

- The gross national product, which reached $6,720 million in 1955 and increased 10 per cent in real terms over 1954, will exceed $7,800 million this year.

- The labour force grew from 9·6 million in 1954 to 10·2 million last year. Employment is increasing faster than the rate of growth of population.

- Investment currently amounts to 14 per cent of the national product.

- Industrial production is running 50 per cent above 1945-46 averages.

- The nation's gold reserves, which advanced $200 million in 12 months to $430 million on April 30 this year, stood at $410 million on September 1. Mexico this year has accelerated the amortization of foreign debts. Payment of $43 million in January-June, compared with $28 million in the first half of 1955, depleted reserves by $22 million.

Trade with Canada Increases

Chiefly because Mexican cotton again has been competitive, Canadian purchases of cotton have amounted to over $40 million since August 1955 and have resulted in total Mexican exports reaching $32·4 million in the first six months of this year, compared with $10·2 million in the same period of last year. Canadian exports have increased only slightly—from $16·3 to $18·0 million in the respective half-year periods.

Mexico is finding in Canada steady markets for cotton, green coffee, vegetable fibres, fluorspar, peanuts, canned pineapple, baler and binder twine, and some citrus fruits. Canadian sales to Mexico, although they are growing steadily in value, have become widely diversified. Mexico bought Canadian malt, whisky, rubber products, newsprint, felts for papermaking, ferro-alloys, farm machinery, aluminum, asbestos, fertilizers, cellulose products, sodium and other chemical compounds, to a total value in 1955 of $37 million.

What Mexico Buys

More and more, the Mexican market demands machinery, tools and raw or semi-finished materials for rapidly expanding industry. Finished consumer goods now represent scarcely 10 per cent of total purchases from abroad. Among leading Mexican imports in 1955 (totalling 11,045·7 million pesos)*, were machinery installations (1,111·7 million), trucks (471·3), machine parts (393·6), tractors (241·7), crude natural or artificial rubber (180·5), rolling stock (99·0), wool (148·5), and iron or steel tubing (132).

During the first half of this year, imports of wheat, automobiles, mechanical installations, crude rubber, rolling stock and cellulose were above 1955 figures. Exports of raw cotton rose from 88,380 metric tons in January-June 1955, to 173,322 tons this year. Sales by volume of lead, fuel oil, forage, crude oil, green coffee and peanuts declined, but export values of copper, zinc, shrimp, refined sugar and fresh tomatoes improved.

Industry and Agriculture Advance

The value of industrial production last year was 50 per cent above that of 1945, and the value of farm production soared to 15,500 million pesos. Imports of beans dropped from 18,310 tons in 1954 to 9,272 tons; of wheat, from 68,515 to 16,577 tons; and of corn, from 146,515 to 1,215 tons. This year's wheat crop of 37 million bushels (or 1·2 million tons) is

* One Mexican peso=approximately 7·8 cents Canadian.

18 per cent higher than the previous record and more than double the average crop in 1945-49. The crop of beans will reach 500 thousand tons—50,000 tons more than in 1955 and 100 thousand tons over average domestic requirements. The corn crop, which reached 4·5 million tons last year, is estimated this year at 5 million. The 1955-56 harvest of sugar cane yielded 901,335 tons of sugar and exports, which in 1955 totalled 76,924 tons, will improve this year under the U.S. quota. Mexico's position as a net exporter of farm products is being strengthened.

Production of iron advanced last year 27·1 per cent over the 1954 level; steel ingots, 13·6 per cent; farm production, 12·2; fertilizers, 14·1; rubber, 15·5; sugar, 8·8; cement, 14·7; electrical power, 11·5; petroleum and refinery products, 15·3; mine production, 8·2; motor vehicle assembly, 3·7; brewery production, 4·2. The overall index of the manufacturing industries rose 10·8 per cent and of business by 10·3 per cent.

Foreign Investment Rises

Industrial progress is encouraging foreign investment. Total direct foreign investments in Mexico at the end of last year reached $564 million. Between 1950 and 1954, U.S. direct investments alone grew by 25 per cent to $523 million and were up by 63 per cent in industry, 50 per cent in business, and 17 per cent in mining. In industrial undertakings, the U.S. investment rose from $22·3 million in 1943 to $133 million in 1950 and $217 million in 1954.

Of current investments from abroad, 2,233 million pesos are in processing or manufacturing industries, 1,500 million in public utilities, 1,423 million in mining, 1,012 in business, 344 in transportation and communications, 119 in petroleum, 95 in the construction industry, and 56 million in agriculture and stock-raising.

The National Chamber of Manufacturing Industries attributed investments of 4,990 million pesos to the U.S., 1,022 million to Canada, 357 to Sweden, 283 to the U.K., 43 to France, and a combined total of 154 million pesos to Germany, Argentina, Italy, Cuba, Denmark, the Netherlands, Brazil and Belgium.

Private investment in industry also is increasing notably. Nacional Financiera, an official agency, found that last year the private domestic contribution to the nation's production capacity, at 7,600 million pesos, was 40 per cent greater than in 1954. Official estimates indicated that private investment in industry this year might reach 8,500 million pesos.

Nacional Financiera also reported advances of 11 per cent in investments in private construction; of 28 per cent in the production of investment goods, and of 71 per cent in the private import of investment goods.

Mining Industry More Active

After two comparatively inactive years, Mexico's leading industry, mining, increased the overall index of production by 8·2 per cent last year and the improvement is being maintained in 1956.

The jars on the right contain samples of various types of peanuts which Mexico ships abroad; it was taken in the laboratory of one of the big producers. Peanuts figure largely among Canada's imports from Mexico; in 1955 we bought $2·6 million worth, or a total of nearly 23 million pounds.

The following production figures were published by the Bank of Mexico:

	(in metric tons) 1955	1954
Gold (kilograms)	11,907	12,034
Silver	1,492	1,241
Copper	54,676	54,806
Lead	210,815	216,624
Zinc	269,399	223,749
Antimony	3,818	4,154
Graphite	29,341	21,784
Mercury	1,030	509
Arsenic	2,954	2,427

Silver sales by the Bank of Mexico last year included 17·2 million ounces to Saudi Arabia, 9·2 million to the New York market and 13·9 million to West Germany. Some 3 million ounces were exported as regular commercial shipments. Lead, copper and zinc ranked respectively third, fourth and sixth in importance among Mexico's foreign sales in 1955. Production of the nationalized oil industry continued its steady rise—from 83·6 million barrels in 1954 to 89·4 million barrels last year.

Sulphur is emerging as a leading export. Output rose from 74,000 tons in 1954 to 600 thousand last year. The first two mines to go into operation in the Isthmus of Tehuantepec have a combined daily production capacity of between 1,300 and 1,500 metric tons, and from a third deposit some 300 thousand tons a year are being extracted. As of mid-1956, national production is running at the annual rate of 900 thousand tons, over 90 per cent of it for export.

Trading Developments

After the U.S. Government announced that surplus stocks of cotton were available for export, Mexico replied to what was freely described here as U.S. "dumping" by making the import of automobile parts for assembly conditional upon purchases of equal values of raw cotton. The automobile industry undertook to export cotton to the value of $60 million during the period November 1, 1956-October 30, 1957, and radio and TV assembly plants—whose production is estimated at $16 million a year—have since volunteered to accept the same conditions.

Deals of this nature are being handled through a government agency, the National Bank of Foreign Trade. Cotton brokers need only show that they have sold cotton abroad on behalf of a domestic manufacturer or importer in order for the latter to obtain import permits for goods of an equal value. For several years past it has been possible to obtain import licences for such products as chemical fibres, steel sheet and tubing, furs, machinery, and alcoholic beverages in exchange for contracts to export henequen, coffee, canned pineapple, cotton textiles or any one of a dozen other commodities for which foreign markets are small or uncertain.

Stocks of cotton on hand on July 1 last meanwhile totalled only 48,531 bales. Estimating the new crop at 1·8 million bales, the Association of Cotton Growers anticipated that domestic mills will buy 450 thousand bales. Whether or not the Mexican authorities will continue to insist upon, rather than merely offer, cotton in exchange for restricted imports presumably will depend upon the trend of the cotton market in 1956-57.

The Outlook

Economic expansion and the growth of industry are making Mexico a better market for foreign products. The purchasing power of the masses is increasing and the development of the demand for goods of all kinds is enabling industry to import materials, tools and equipment in ever-growing quantities. Restrictions on imports designed to protect the local industries in many cases have severely affected foreign manufacturers, but trade in general has increased and diversified. ●

Peru

Canadian sales to Peru may nearly double in 1956, with demand brisk in many lines. Market continues good, with mineral exports up, industry expanding, and foreign investment and other invisible earnings offsetting '55 trade deficit.

HARRY J. HORNE,
Commercial Secretary, Lima.

PERU continues to be one of the most stable of the South American republics, with a flourishing economy. The new Government elected in June is carrying on the system of free exchange and free enterprise which has contributed largely to this stability.

Domestic business which, in general, has been slow since early June when the election campaign got under way, continues in a seasonal slump with heavy instalment buying. Local collections have been sluggish, with some small firms in difficulties; however, foreign

collections for the most part are being well met. Bank credits continued to increase and on August 15th they were up 709 million soles over August 1955. The bulk of the advances were divided between the wholesale and retail trade (35 per cent), industry (25 per cent) and agriculture (15 per cent). The exchange rate of the sol has remained almost exactly at the previous year's figure of 19·15 soles to the dollar.

Cotton and Sugar Situation

Agricultural crops have flourished although in both cotton and sugar—which supply almost 40 per cent of Peru's foreign exchange—United States Government policy has caused uncertainty. In cotton, United States dumping of surplus stocks could disrupt traditional markets, with unfavourable consequences in Peru and in other countries which depend to a large extent on cotton exports. The new United States sugar import quota, which reduces Peru's participation in the important United States market, could mean an export surplus; the 1956 production is estimated at 700 thousand metric tons, which is [illegible]0,000 tons over the 1955 record. So far, however, sales of both these products have been developing satisfactorily. A severe drought in southern Peru has cut into domestic food supplies in the affected area but imports and gifts of foodstuffs from the United States are expected to alleviate any acute shortage.

Mining and Other Industries

Despite the drought-caused water and power shortage which reduced production slightly, overall mining activity has been increased with the commencement of a $200 million development program of a copper property in southern Peru. The program is expected to take four or five years, after which 400 million tons of copper ore will be ready for exploitation. Sales of Peruvian minerals abroad are continuing to rise, with the exception of iron ore, as the following table shows:

PERUVIAN EXPORTS OF MINERALS

(in millions of soles)

	1955	*1954*
Copper	557	387
Lead	497	458
Silver	307	278
Zinc	262	175
Iron Ore	152	250
Gold	50	48

Peruvian exports of iron ore have now been increased and 1956 exports are expected to reach 2·7 million tons.

Peru is self-sufficient in petroleum production but new oil exploration in the promising Sechura desert area has been most disappointing, with some companies withdrawing completely. Others have transferred their activities to the "Oriente" or jungle side of Peru where, if oil is struck, the problem will be transporting it to market.

Iron ore from the Marcona mines in Peru moves on a conveyor belt towards a ship waiting to load it. Production at this mine is expected to reach 2·7 million tons in 1956.

In the first nine months of 1956, 194 new factories were opened in Peru, of which 160 were in the Lima-Callao area. The largest factory, which is to produce chemicals, has a capital of about $1·5 million; the others are smaller and many are probably of minor importance.

Foreign Trade in Deficit

Imports into Peru for the first eight months of 1956 totalled US$227 million, $28 million over export income of US$199 million. However, other sources, principally foreign investment funds, contributed over $60 million of foreign exchange. For the past ten years (with the exception of 1950) Peru has had an excess of imports over exports averaging $25 million. The United States supplies 50 per cent by value of Peru's imports, Germany and Great Britain 9 per cent each, and Argentina 5 per cent. Canada was the eighth supplying country, with 2·2 per cent.

In 1955, the United States bought 36 per cent by value of the goods Peru exports, Chile 13, the United Kingdom 10, Germany 7 and Belgium 6 per cent.

Canada bought less than 1 per cent. Sixty per cent of all imports are goods for productive purposes and of this more than half are fully manufactured materials, one third semi-manufactured, and the remainder raw materials. The remaining 40 per cent are for consumption or consumer goods and of these 98 per cent are manufactured goods. On the other hand, 94 per cent of Peruvian exports consist of raw materials.

Trade with Canada

In 1955, Canada sold to Peru $6 million worth of goods, compared with some $5 million in the previous year. The leading exports were:

Commodity	*Value (thousands of dollars)*
Machinery and parts	1,423
Malt	639
Wood pulp	561
Mining machinery	439
Newsprint	392
Wheat	337
Purebred cattle	228
Asbestos	214
Rolled oats	175
Flour	171
Washing machines	58
Milk products	47

In the first six months of the current year, exports to Peru reached $4·5 million, up $2 million from 1955; at this rate figures for the year should total $10 million. Principal increases have been in wheat (where availability, price and shipping from Canada are the governing factors), $964 thousand; Douglas fir lumber, $68,000; washing machines, $75,000; fish nets, $73,000; calcium and sodium compounds, $133 thousand, and evaporated milk, $52,000. One used ship ($400 thousand) also went to Peru.

In 1955 Canada's principal imports from Peru, in thousands of dollars, were:

Commodity	*Value (thousands of dollars)*
Canned fish	209
Raw cotton	168
Green coffee	162
Wool	80
Brazil nuts	63

Total imports for the year reached $869 thousand. In the first six months of 1956 $1,067,141 worth of goods were imported. Ores of metals, which usually is the largest Peruvian export to Canada, totalled $637 thousand, raw cotton $176 thousand, canned fish $152 thousand, bismuth $32,000, wool $25,000, and coffee $16,000.

Canadian sales of chemicals are expected to pick up as local industry expands. Some Canadian firms might justifiably contemplate setting up small branch plants or licensing local firms to produce their products. The Government has granted protective tariffs for local industry in nearly any field and this naturally will restrict the import of finished goods from Canada and other countries.

Peru is a price market and competition is keen from foreign exporters offering their lowest prices and often extending credit terms to responsible buyers. No import permits or exchange licences are required (except for automobiles) and offers should be made in U.S. or Canadian dollars, c.i.f. Callao, if possible. For most goods the chief market is around Lima and an agent in this area is indispensable. For some products a separate agent is required for the jungle or Amazon side of the country. Always check with the Trade Commissioner before you ship to an unknown firm and include a visit to Peru when you come to South America. ●

Bolivia

Chronic trade deficit and serious inflation make Bolivia difficult market for present, with Canadian exports confined to fairly narrow range.

H. J. HORNE, *Commercial Secretary, Lima.*

THE CHRONIC PROBLEMS of Bolivia's "tin economy" are apparently persisting. Nationalization of the largest tin mines in 1952 has not proved as successful as it was expected to be. Labour has become more inefficient and despite mining practices designed to exploit the deposits, tin production is reported only as remaining constant. Export figures, however, indicate a 20-25 per cent drop. It is estimated that not more than 5 per cent of the mines' net earnings are being re-invested in machinery and new installations. As time passes, mechanical efficiency and capacity will undoubtedly be affected.

Inflation within the country is serious. Although the official exchange rate has remained fixed, the free market rate has skyrocketed to over 5,000 bolivianos to the dollar. The cost-of-living index has increased over 200 per cent in the last 18 months. Stocks of essential foodstuffs, which are usually in short supply, have been further cut by a severe drought in the highlands. Recently there have been riots in La Paz protesting against high prices and the shortage of basic foods.

United States Government aid, both direct and through development assistance funds, has helped to keep Bolivia solvent. The 1955-56 U.S. program calls for expenditure of $20 million, part of which will be used for agricultural development and the construction of roads and bridges.

Petroleum production provides the one bright spot in an otherwise gloomy picture. Output in 1955 reached [illegible]·7 million barrels, an increase of 60 per cent over 1954, and a similar rise is expected for 1956. A new petroleum code with guarantees for foreign investment has already attracted outside capital.

Trade Deficit Continues

For 1955, exports totalled $74 million, compared with $77·5 million in 1954. In addition to the drop in tin exports, sales abroad of zinc, wolfram and fluorite were substantially lower. However, exports of antimony, copper, silver, gold, sulphur, asbestos and nickel increased. Imports totalled $89 million, thus bringing the trade deficit for the year to $11·5 million. Most of Bolivia's purchases abroad consist of bulk buying either by the Corporacion Minera for the nationalized mines, by the Banco Minero for the small mines, or by the Ministry of National Economy for basic foodstuffs for the people. Some supplies are bought on long-term credits.

Canadian Exports Small

Canadian exports to Bolivia in 1955 totalled $1 million, half of which was accounted for by mining, agricultural and other machinery; canned fish, electrical equipment, calcium carbide, tallow and medical preparations made up the remainder. This compares with sales to Bolivia worth $1·2 million in 1954 and $5·5 million in 1953. In the first six months of 1956, in addition to the above products, Canada has shipped powdered and tinned milk, tires, and electrical transformers and generators. In 1955, Canadian imports from Bolivia totalled only [illegible]8,000, all Brazil nuts.

All imports into Bolivia require licences, and exporters should make certain that a valid import licence and foreign exchange permit has been granted before they ship any goods. Moreover, it is practically impossible to submit bids or obtain bulk orders without a reliable and active agent on the spot. Exporters should also bear in mind that the Export Credits Insurance Corporation is prepared to cover shipments made to Bolivia.

Despite anti-inflation measures, including exchange reform, and development programs currently being worked out by foreign advisers, it is difficult to foresee when Bolivia's economic situation will improve. Until that time, Canadian exports will probably continue at about the present level and will be confined to essential machinery, supplies and foodstuffs.●

Uruguay

Persistent deficit has compelled action to balance trade account; peso has since strengthened. Good sale of wool at good prices has brightened outlook, but meat industry needs rebuilding. Canadian sales are currently confined to a few lines.

C. BLAIR BIRKETT,
Commercial Counsellor, Montevideo.

THE DEPRESSED STATE of Uruguay's economy became apparent during the early months of 1955 and showed no improvement up to December. This year it reached a point where remedies designed to correct the trade deficit and bolster the internal finances were adopted. The one bright spot in the picture is the distinct improvement in the wool trade, which culminated late in August in the complete disposal of last year's clip and of the previous season's carryover at good prices. It was this that saved the economy from drifting into the serious crisis which was expected at the beginning of the year. Budget proposals still under consideration call for higher indirect taxation and other measures that are expected to cover the accumulated deficits from 1953. Unfortunately, meat exports continued small, denying the country of much-needed foreign exchange. The rehabilitation of this industry would cure Uruguay's economic ills.

Remedial Measures Taken

The needed remedies came at long last in August and took the form of a new scale of exchange rates for imports and exports designed to correct the unfavourable trade balance of the past two years. The basic principle to be followed is the fostering of exports by means of special treatment in rates of exchange. In imports, 1st category goods are divided into three groups: first, merchandise considered essential, such as raw materials, fuel, certain building materials and certain essential foodstuffs, to be imported freely at the rate of 2·10 pesos to the dollar; second, agricultural machinery, antibiotics, cortisone, insulin and fertilizers, at the rate of 3·00 pesos to the dollar; third, the other items in 1st category, to be imported at the free commercial rate without restriction. Import of goods in the 2nd and 3rd categories is still governed by the allocation of quotas (none granted since December 1954), with payment to be made at the free commercial rate.

The free commercial exchange market that has been established under the new system is for trading in "exchange certificates"—the proceeds of export sales. These certificates are to provide the only funds available for the payment of imports at the rates prescribed. In other words, imports are to be limited to the value of the foreign exchange earned by exports. There is guarded optimism among the trading community that this scheme to balance the foreign trade account is going to work. More time must elapse, however, before any definite opinion can be given.

The commercial exchange market was closed from August 3rd to 20th. For some time after, some export operations were effected but no trend was apparent, mainly because exporters of greasy wool were dissatisfied with their rates and declined to sell. The free rate during August fluctuated from 4·37 pesos to the U.S. dollar to 4·08, and closed on September 6th at 4·14. Since then export operations have improved slightly as the result of the more favourable classification of wool and the ironing out of some of the kinks in the scheme. The peso has strengthened to around 4·08 to 4·10 to the dollar, and with the new wool clip coming on the market at good prices, will probably remain steady. The general outlook for the exchange market is brighter than for some time past.

Trade Deficit Increases

During the past twelve months the volume of Uruguay's overseas trade has steadily diminished with the result that less and less foreign exchange has been available for imports. Import licences to industry and commerce have been confined to essential items—in other words, to 1st category goods. The year 1955 ended with an adverse balance of US$41,371,186, with imports totalling US$225,044,933 and exports US$183,673,747. (On December 31, 1954, the deficit was US$25,493,000.) The values in millions of U.S. dollars of the chief exports during 1955 (1954 in brackets) were: wool 74·2 (92·6), meat 7·2 (45·5), processed agricultural products 22·5 (38·6), spinning and weaving products 34·8 (34·7), skins and hides 15·0 (18·5), unprocessed agricultural products 26·3 (13·8). The principal import groups were valued as follows: raw materials 72·8 (77·7), machinery 37·0 (45·1), fuels and lubricants 26·5 (37·0), building materials 21·1 (28·1), motor vehicles 17·9 (26·04), foodstuffs 14·0 (13·7), electrical appliances 7·6 (11·0), chemicals and pharmaceuticals 4·7 (6·3), dry goods 6·5 (5·9).

Principal Suppliers

Uruguay's chief suppliers were the traditional ones, including the United States, United Kingdom, Brazil, Germany, Venezuela, France, the Netherlands, Belgium, Italy and Sweden. With the exception of Venezuela, these also bought the bulk of the country's exports. Canada's participation continued to be small: we supplied about 1·3 per cent of Uruguay's imports and bought a negligible proportion of its exports. Commodities we sold in this market included aluminum ingot, newsprint, asbestos, seed potatoes, farm machinery and implements; value of total exports to Uruguay in 1955 was $2·4 million. Our interest in Uruguayan produce is confined to wool, sheepskins, rice, canned beef, and on occasion, worsteds and serges.

Wool and Meat

Shipments of wool from October 1, 1955, to July 31, 1956, amounted to 209,865 bales, compared with 104,377 bales during the previous season. Sales were made mainly to the Netherlands (65,500 bales), the United States (38,846 bales), and the United Kingdom (22,126 bales). The 1955-56 clip, plus the carryover from 1954-55, has been disposed of at prices ranging from Ur.20 to 25 pesos per bale, a distinct improvement over the expectation at this time last year and a saving grace in the overall trade balance. Operations in the 1956-57 wool clip are just beginning and since the Government has raised from 10 to 15 the percentage of export proceeds that may be negotiated in the free market by exporters of greasy wool, the current season is fully expected to be a good one, with prices well above last season's.

The meat packers are not yet exporting to any appreciable extent and their contribution to the exchange market is of little importance. The return of the country to its basic industry of cattle-raising as against the policy of subsidized agriculture in one form or another is a long-term problem. In fact, years must go by before there will again be a substantial surplus of meat for export. Meanwhile it has been found necessary to borrow 60,000 head of cattle from the Argentine and a substantial number are still being driven across the border for sale in Brazil at prices much higher than the local frigorificos can pay.

Wheat Sales Satisfactory

Exports of wheat have been satisfactory and have been providing foreign currency. But because most exports of this cereal go to Brazil, proceeds are governed by the bilateral trade agreement between the two countries. The fixed price for wheat has been reduced from 14 to 12 pesos per 100 kilos to encourage smaller acreage. Other exportable produce is moving normally but is of secondary importance. Because the two mainstays of the country's economy, wool and meat, are in short supply—the one still on the sheep's back and the other practically non-existent as far as the export trade is concerned—there is little possi-

bility of building up reserves until the new wool clip has been on the market for some months.

Policy on Trade Agreements

Uruguay's attachment to the policy of bilateral trade agreements continues, but there are signs that many realize that these agreements are not solving the country's difficulties. The new exchange regulations represent a positive move towards freeing foreign trade from discriminatory exchange restrictions. On the other hand, a Trade, Navigation and Payments Agreement with the U.S.S.R. was signed in August 1956 covering an exchange of goods on a bilateral basis.

Budget and Other Problems

The annual budget is still under discussion (it was to be passed February 28th last). It has been approved by the Chamber of Deputies but has still to be passed by the Senate. It provides for increased taxation and the issue of internal bonds up to 250 million pesos, to cover accumulated budgetary deficits for 1953, 1954 and 1955. Revenue is estimated at 546 million pesos and expenditure at 541 million pesos.●

Parcel Post for Paraguay

Import into Paraguay of parcel post packages without use of official exchange is under new government regulations.

Imports from the dollar countries are limited to packages with an individual value not exceeding $25 f.o.b. point of shipment and to one package a person per month.

Only the following kinds of goods may be imported: medicines, including veterinary and optical products; teaching materials and equipment; office machinery and utensils and other materials, with their accessories and spare parts; articles for radiography and photography, including apparatus, with their accessories, spare parts, films, plates, and special chemical substances. Apparatus for scientific, medical, or technical use with spare parts and accessories; accessories and spare parts in general for machinery and automotive vehicles; tools, articles for the home and hygiene, not including toiletries or perfumery; raw material for industry.

Goods included in the first group may be imported for commercial purposes. Other goods listed may be imported only for use of the importer and his family. Imports will be subject to a special surcharge of 20 per cent over and above present duties.

Venezuela

New oil concessions set off new boom; business prospects were never better. Canadian exporters are urged to visit the country and select sales representatives. There are many opportunities to introduce new products in this competitive market.

R. E. GRAVEL, *Commercial Secretary, Caracas.*

PETROLEUM IS THE KEY to the booming Venezuelan economy. The Government has granted new oil concessions which totalled 252,891 hectares* up to October; this is by far the most outstanding business development in the past year. The Government will receive some $350 million for exploitation rights on these new concessions and about half of the profits from oil they produce. The oil companies plan to spend hundreds of millions of dollars on exploration and development, and on new communication and administrative facilities to bring in these new fields. The economic impact of these expenditures will be strong.

Crude petroleum production in September reached a record 2·5 million barrels a day and petroleum economists believe that output could reach five million barrels a day within the next ten years if conditions demand it. The new oil concessions are the first to be granted in eleven years; Venezuela now begins a second boom.

New Concessions Granted

At the present time, about 70 per cent of Venezuela's crude petroleum originates in the western state of Zulia. Much of this production comes from wells in Lake Maracaibo which most oil men here believe is the richest field in Venezuela. Competition for new concessions was naturally keenest in this area; rights for choice sites sold for a record price of Bs.21,621† a hectare.* So far, most of the new concessions granted are in Western Venezuela.

The following table outlines concessions granted by the Government up until October 2. Further concessions will have been allocated by the time this article is in print.

* One hectare=2·471 acres.

† $1.00 Canadian=3.44 Bolivars.

Oil Concessions Granted

Company	Area (hectares)	Location	Price (per hectare)
Superior Oil	3,146	Lake Maracaibo	Bs.21,621
Superior Oil of Venezuela	10,000	Apure	250
Shell	4,122	Lake Maracaibo	21,000
Shell	10,000	Lake Maracaibo	6,030
Shell	10,000	Lake Maracaibo	6,000
Shell	20,000	Táchira (Colombian border)	250
Shell	20,000	Distrito Páez, Zulia	250
Venezuelan Leaseholds	670	Lake Maracaibo	15,000
Venezuelan Leaseholds	126	Lake Maracaibo	15,000
Venezuelan Leaseholds, C.A.	10,000	Apure	250
Mene Grande	4,329	Lake Maracaibo	14,000
Mene Grande	4,041	Lake Maracaibo	7,100
Mene Grande	20,000	Lake Maracaibo	8,652
Mene Grande	9,989	Lake Maracaibo	5,316
Mene Grande	12,973	Lake Maracaibo	7,712
Creole	10,296	Lake Maracaibo	7,502
Creole	22,000	Apure, Nr Colombian br.	250
Creole	18,000	Zulia, " " "	250
Creole	22,000	Apure	250
Sun Oil Company	10,000	Lake Maracaibo	5,600
Sun Oil	10,000	Apure	250
Signal Exploration Co.	11,173	Lake Maracaibo	9,312
Venezuelan American Independent Oil Producers Association	9,985	Lake Maracaibo	6,000
	841	Lake Maracaibo	7,100

Development Program Accelerated

The Government spends a large part of its income from petroleum to develop basic industries, to improve communications, and to subsidize expansion of secondary industry against the day when income from petroleum declines. With revenues running at a peak Bs.2·8 million for the fiscal year ended June 30, it has accelerated this program.

Among the striking new buildings going up in Caracas is this 1,200-bed hospital. It forms part of the Federal University which was recently established in the Venezuelan capital.

Important among the many current projects are the dredging of the outer section of the Maracaibo Bar, permitting entry into the lake of deep-draught seagoing vessels; construction of a petrochemical plant near Puerto Cabello; building of a steel mill at Puerto Ordaz which will ultimately produce 420 thousand tons a year; electric power development on the Caroni River which will add 200 thousand kws. to the existing electricity supply; and a vast irrigation program on the Guarico River which will bring into cultivation 100 thousand hectares of fertile agricultural land. These spectacular developments are taking place against a background of feverish private and public investment in improved housing, highways, and port modernization. A few Canadian firms are participating in these programs in spite of competing business opportunities in Canada; there is room for more.

Tariffs Used to Aid Industrialization

Heavy government spending and the continued prosperity of the oil industry are generating a brisk demand for consumer and industrial products. Population, now almost six million, is also increasing by almost 3 per cent a year; infant mortality is down considerably and immigrants, principally from Spain, Italy and Portugal, are flowing in.

The Government is pledged to encourage industrial development and offers tariff protection to businessmen establishing new industries. Tax rates are low and

Do's and Don'ts for Exporters to Venezuela

DO . . .

- *Select your credit risks carefully. Keep your agent posted on collections—it is his responsibility to help you secure payment in full.*
- *Make sure your agent canvasses the increasingly important Maracaibo market. Sub-agency arrangements are not generally successful.*
- *Visit your agent and customers regularly. Caracas is just overnight by air from New York and Maracaibo is only an hour by air from Caracas.*
- *Investigate the possibility of developing business with oil companies. Sales effort is required in both Venezuela and New York.*

DON'T . . .

- *Sell direct unless you are 100 per cent sure that no payment risk is involved. Remember that d.o.p. terms in Venezuela do not prevent importers from clearing merchandise before remitting to your bank.*
- *Expect businessmen here to correspond with you in English or French. Many can, but those who cannot easily can find foreign companies who are delighted to correspond and even supply advertising material in Spanish.*
- *Feel that your inability to speak Spanish precludes a business trip. It is better, of course, if you "habla castellana" but you should not stay at home if you can't.*
- *Assume that the streets here are paved with gold and that sales are easy. Businessmen from every city in the world are here: you must be competitive.*

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new industries are exempt from duties on the machinery and other equipment they import. Technical advice from experts in government ministries and corporations is made available. During the past year, private investors have built over 150 new plants including a new flour mill, three tire plants, a can manufacturing plant, and a number of chemical, pharmaceutical and paint enterprises. The pace of industrialization is speeding up. Expected to begin production soon are two or more flour mills, a paper mill, two glass factories, a new animal feeds plant, a soap and detergent plant, additions to the motor vehicle assembly plants, and many other privately-financed enterprises.

Imports Rise

Despite remarkable increases in domestic production, imports reached an estimated Bs.2,960 million during 1955, some 40 per cent higher than five years ago. Greater foreign purchases of industrial machinery and luxury foodstuffs not yet produced in Venezuela accounted for most of the increased imports. The country is now approaching self-sufficiency in tires and tubes, cigarettes, cement, beer, many types of textiles, refined sugar, cotton, meat, corn, rice and potatoes.

Principal suppliers during 1954 and 1955 were as follows:

	IMPORTS 1954		IMPORTS 1955	
	Bolivars	*% of Total*	*Bolivars*	*% of Total*
United States	1,690,057,341	61·6	1,742,460,011	58·9
West Germany	187,874,434	6·8	265,109,356	9·0
United Kingdom	215,354,719	7·9	231,361,726	7·9
Canada	108,704,731	4·0	117,086,243	4·0
Italy	69,455,769	2·5	81,181,641	2·8
Netherlands	61,459,414	2·2	70,699,732	2·4
Japan	34,300,959	1·2	55,793,012	2·0
Belgium	47,213,701	1·7	54,226,385	1·8
Totals, all countries	2,745,803,659		2,959,632,695	

Despite the continuing boom, Canadian exporters have not improved their position here substantially over the past three years. Our exports have been running at about $30 million a year, with over 70 per cent consisting of agricultural products such as wheat flour, milk powder, seed and table potatoes, shell eggs, grain, canned goods and purebred cattle. Other important commodities are newsprint and timber, barytes, and a range of industrial chemicals. Canadian businessmen, however, sell a wider range of goods to Venezuela than to any other country in South America. With currency freely convertible, practically no import restrictions, and the region growing rapidly, it pays to investigate market possibilities for new products.

Prospects for Canadian Trade

Business in Venezuela is exceedingly competitive. Credit terms are required for most products and the seller should select representatives cautiously; good agents in both Caracas and Maracaibo are essential. Last year 107 Canadian businessmen visited the office of the Commercial Counsellor and made 40 new agency arrangements; figures for the first nine months of this year are 103 businessmen and 31 new agency agreements. These personal visits and improved selling arrangements are producing good results and the outlook for the rest of 1956 is promising. ●

Exporters' Guide to Venezuela

If you are planning a business trip to Venezuela we suggest you send for a copy of the Department's market information booklet on that country. First in a proposed series covering a number of countries, it will give you the essential facts about this important dollar market . . . and because it is a handy pocket size you can take it along with you for reference. The booklet covers briefly Venezuela's production and trade, what you can sell there, the accepted methods of payment, shipping and shipping documentation, weights and measures, regulations for samples, passports and visas, mail, currency and hours of business. Your comfort is considered too in sections on transportation, hotels, clothing and health.

The information in this booklet was compiled by the Commercial Section of the Canadian Embassy at Caracas and has been commended by the Venezuelan Embassy in Ottawa for its accuracy. If you would like a free copy, write to the Director, Information Branch, Department of Trade and Commerce, Ottawa.

Coming to Canada on Business

THE INFORMATION about foreign business visitors given here is, to the best of our knowledge, accurate at the time of going to press. We cannot, however, accept responsibility for any changes in itineraries nor for cancellation of plans. This information is published as a service and in no way represents sponsorship or selection by the Department of Trade and Commerce. We cannot undertake to enter into correspondence about these visitors.

▶ from Indonesia

W. E. A. CASPERS, Technical Director, and MR. ABUNDJANE, Financial Director, of Messrs. P. T. Fuchs and Rens, Djakarta, expect to be in Canada from December 15 to 20. They plan to visit their principals in Canada and will call on the Canadian Manufacturers Association while in Toronto. Their main interests are farm equipment, wrenches and garage tools, screw machine products, automotive parts, and light marine motors.

▶ from Israel

JOSEF DZIALOSYNSKI, representing the Lasta Elastic and Laces Company, is expected to arrive in Canada from the United States about the end of December. Purpose of his visit to America is to purchase machinery and raw materials for the factory in Israel. His address in Canada will be c/o Mr. A. Yagodnik, 5429 Park Avenue, Montreal, Quebec.

▶ from Japan

H. SATO, representing the coal section of G. Itch Co. Ltd. 13, 1-Chome, Horidome-cho, Nihonbashi, Chou-Ku, Tokyo, a major Japanese trading company with world-wide connections, arrived in Toronto in mid-November. Purpose of his visit is to investigate the possibilities of importing from Canada heavy and light coking coals suitable for the steel industry. In Toronto he plans to visit the Canadian offices of his company in the Temple Building, 62 Richmond St. West, and the chairman of the Dominion Coal Board in Ottawa. Later in November, Mr. Sato will visit western collieries and Vancouver where he can be reached through the Consulate of Japan, Hastings St., or P. V. McLane, Western Representative of the Department of Trade and Commerce, 355 Burrard St.

Foreign trade service abroad

*** No Foreign Trade Officer at this post.**
Bentley's Second Phase Code is used by Canadian Commissioners.

Territory	Officer	City Address	Mail and Cables, Office Telephone
Argentina	C. S. Bissett, Commercial Counsellor	Canadian Embassy, Bartolome Mitre 478, BUENOS AIRES	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 33-8237
Argentina Paraguay, Uruguay	W. F. Hillhouse, Agricultural Secretary		
Australia (Capital Territory, New South Wales, Queensland, Northern Territory) Dependencies	J. C. Britton, Commercial Counsellor for Canada Commercial Secretary	7th Floor, Berger House, 82 Elizabeth Street, SYDNEY	*Mail:* *P.O.* Box 3952 G.P.O. *Cable:* CANADIAN *Tel.:* BW 5696
Australia (Victoria, South Australia, Western Australia, Tasmania)	R. W. Blake, Commercial Secretary for Canada	83 William Street MELBOURNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* MU 4716
Belgian Congo Angola, French Equatorial Africa	K. Nyenhuis, Canadian Government Trade Commissioner	Forescom Building, LEOPOLDVILLE 1.	*Mail:* Bôite Postale 373 *Cable:* CANADIAN *Tel.:* 2706
Belgium Luxembourg	T. J. Monty, Commercial Counsellor K. G. Ramsay, Assistant Commercial Secretary J. R. Roy, Assistant Commercial Secretary	Canadian Embassy, 35 rue de la Science, BRUSSELS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 11-33-88
Brazil	V. L. Chapin, Commercial Secretary H. M. Maddick, Commercial Secretary	Canadian Embassy, Edificio Metropole, Av. Presidente Wilson 165 RIO DE JANEIRO	*Mail:* Caixa Postal 2164 *Cable:* CANADIAN *Tel:* 42-4140
Brazil	C. E. Butterworth, Consul and Trade Commissioner G. F. Osbaldeston, Vice Consul and Assistant Trade Commissioner	Canadian Consulate, Edificio Alois, Rua 7 de Abril 252, SAO PAULO	*Mail:* Caixa Postal 6034 *Cable:* CANADIAN *Tel.:* 36-6301
***Ceylon**	Office of the High Commissioner for Canada	6 Gregory's Road Cinnamon Gardens, COLOMBO	*Mail:* P.O Box 1006 *Cable:* DOMCANADA *Tel:* 91341
Chile	L. D. Burke, Acting Commercial Secretary	Canadian Embassy, 6th Floor, Av. General Bulnes, 129, SANTIAGO	*Mail:* Casilla 771 *Cable:* CANADIAN *Tel.:* 64189
Colombia Ecuador	W. B. McCullough, Commercial Counsellor A. P. Savard, Commercial Secretary	Canadian Embassy, Avenida Jimenez No. 7-25 Office 613, BOGOTA	*Airmail:* Apartado Aereo 3562 *Surface Mail:* Apartado 1618 *Cable:* CANADIAN *Tel.:* 30-065
Cuba	G. A. Browne, Commercial Secretary	Canadian Embassy, Edificio Ambar Motors, Avenida Menocal 16, HAVANA	*Mail:* Apartado 1945 *Cable:* CANADIAN *Tel.:* UO-9457
Denmark Greenland	C. F. Wilson, Commercial Counsellor	Canadian Embassy 4 Trondhjems Plads, COPENHAGEN	*Mail:* (City address) *Cable:* CANADIAN *Tel.:* Tria 1602

Territory	Officer	City Address	Mail and Cables, Office Telephone
Dominican Republic Puerto Rico	M. B. Bursey, Commercial Counsellor	Canadian Embassy, Edificio Copello 408, Calle El Conde, CIUDAD TRUJILLO	*Mail:* Apartado 451 *Cable:* CANADIAN *Tel.:* 5318
Egypt Aden, Sudan, Cyprus, Ethiopia, Saudi Arabia, Yemen	M. R. M. Dale, Commercial Secretary	Canadian Embassy, 6 Sharia Rouston Pasha, Garden City, CAIRO	*Mail:* Kasr el Doubara Post Office *Cable:* CANADIAN *Tel.:* 23110
France Algeria, French West Africa, Tunisia	R. Campbell Smith, Commercial Secretary A. L. Neal, Attaché J. H. Bailey, Assistant Commercial Secretary	3 rue Scribe, PARIS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* OPEra 42-30
Germany Federal Republic	B. A. Macdonald, Commercial Counsellor S. G. Barkley Commercial Secretary M. B. Blackwood, Assistant Commercial Secretary	Canadian Embassay, 22 Zitelmannstrasse, BONN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Bonn 21971
Germany	E. H. Maguire, Consul	Canadian Consulate, 69 Ferdinandstrasse, HAMBURG	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 326140
Greece Israel, Turkey	A. B. Brodie Commercial Secretary	Canadian Embassy, 31 Vassilissis Sophias Ave., ATHENS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 74044
Guatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	H. W. Richardson, Canadian Government Trade Commissioner J. R. Midwinter, Assistant Trade Commissioner	5a Avenida Sud, 10-68 GUATEMALA CITY	*Airmail:* P.O. Box 400 *Surface Mail:* P.O. Box 444 *Cable:* CANADIAN *Tel.:* 5590
***Haiti**	Chargé d'Affaires, a.i. and Consul	Route du Canape Vert, St. Louis de Turgeau, PORT AU PRINCE	*Mail:* P.O. Box 826
Hong Kong Formosa, Cambodia Laos, Viet Nam, Macao	C. M. Forsyth-Smith, Canadian Government Trade Commissioner Assistant Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg., HONG KONG	*Mail:* P.O. Box 126 *Cable:* CANADIAN *Tel.:* 28336
India	Wm. Jones, Commercial Secretary	Office of the High Commissioner for Canada, 4 Aurangzeb Road, NEW DELHI	*Mail:* P.O. Box 11 *Cable:* CANADIAN *Tel.:* 40191
India	T. F. Harris, Canadian Government Trade Commissioner G. F. Mintenko, Assistant Trade Commissioner	Gresham Assurance House, Mint Road, BOMBAY	*Mail:* P.O. Box 886 *Cable:* CANADIAN *Tel.:* 32968
Indonesia	W. D. Wallace, Commercial Secretary	Canadian Embassy, Budi Kemulian No. 6. DJAKARTA	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Gambir 499
Ireland	T. G. Major, Commercial Counsellor for Canada	66 Upper O'Connell St., DUBLIN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 44251
Italy Libya, Malta, Yugoslavia	S. G. MacDonald, Commercial Counsellor W. R. Van, Commercial Secretary	Canadian Embassy, Via G. B. De Rossi 27 ROME	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 846-824

Territory	Officer	City Address	Mail and Cables, Office Telephone
Italy	K. F. Osmond, Commercial Secretary (Fisheries)		
Jamaica Bahamas, British Honduras	H. E. Campbell, Canadian Government Trade Commissioner	Canadian Bank of Commerce Chambers, KINGSTON	*Mail:* P.O. Box 225 *Cable:* CANADIAN *Tel.:* 2858
Japan Korea	J. L. Mutter, Commercial Counsellor W. G. Pybus, Commercial Secretary	Canadian Embassy, TOKYO	*Mail:* Canadian Embassy *Cable:* CANADIAN *Tel.:* 48-4116
Japan	J. E. Lancaster, Canadian Government Trade Commissioner	7th Floor, Crescent Bldg., 72 Kyomachi, Ikutaku, KOBE	*Mail:* P.O. Box 513 *Cable:* CANADIAN *Tel.:* 3-4617
Lebanon Iraq, Jordan, Persian Gulf Area, Syria	G. F. G. Hughes, Commercial Secretary	Canadian Legation, Alpha Building, Rue Clemenceau, BEIRUT	*Mail:* Bôite Postale 2300 *Cable:* CANADIAN *Tel.:* 30794
Mexico	C. J. Van Tighem Commercial Counsellor C. O. R. Rousseau, Commercial Secretary	Canadian Embassy, Edificio Internacional, Paseo de la Reforma, MEXICO, D. F.	*Mail:* Apartado 126-Bis *Cable:* CANADIAN *Tel.:* 36-27-90
Netherlands	B. C. Butler, Commercial Counsellor W. R. Hickman, Assistant Commercial Secretary	Canadian Embassy, Sophialaan 5-7, THE HAGUE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 18-51-06
New Zealand Fiji, Western Samoa	L. S. Glass, Commercial Counsellor J. MacNaught, Assistant Commercial Secretary	Office of the High Commissioner for Canada, Government Life Insurance Bldg., WELLINGTON	*Mail:* P.O. Box 1660 *Cable:* CANADIAN *Tel.:* 70-644
Norway Iceland	J. C. Depocas, Commercial Counsellor	Canadian Embassy, Fridtjof Nansens Plass 5, OSLO	*Mail:* P.O. Box 1379—Vika *Cable:* CANADIAN *Tel.:* 33-30-80
Pakistan Afghanistan, Iran	R. K. Thomson, Commercial Secretary	Office of the High Commissioner for Canada, Hotel Metropole, Victoria Rd., KARACHI	*Mail:* P.O. Box 3703 *Cable:* CANADIAN *Tel.:* 5826
Peru Bolivia	H. J. Horne, Commercial Secretary	Canadian Embassy, Edificio Boza, Carabaya 831, Plaza San Martin, LIMA	*Mail:* Casilla 1212 *Cable:* CANADIAN *Tel.:* 72760
Philippines	H. L. E. Priestman, Consul General and Trade Commissioner W. J. Jenkins, Vice Consul and Assistant Trade Commissioner	Canadian Consulate General, Ayala Building Juan Luna Street MANILA	*Mail:* P.O. Box 1825 *Cable:* CANADIAN *Tel.:* 3-33-35 *Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 53117
Portugal Azores, Madeira	Richard Grew, Commercial Counsellor	Canadian Embassy, Rua Marques de Fronteira No. 8—4° D° LISBON	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 53117
Rhodesia and Nyasaland Kenya, Seychelles Is., Tanganyika, Uganda, Zanzibar	W. J. Millyard, Canadian Government Trade Commissioner	Dolphin House, Union and Moffat Sts. SALISBURY	*Mail:* P.O. Box 2133 *Cable:* CANTRACOM *Tel.:* 26571
Singapore Brunei, Burma, Federation of Malaya, North Borneo, Sarawak, Thailand	M. P. Carson, Canadian Government Trade Commissioner W. G. Huxtable, Assistant Trade Commissioner	Room E-3, Union Building, SINGAPORE	*Mail:* P.O. Box 845 *Cable:* CANADIAN *Tel.:* 30631-2

Territory	Officer	City Address	Mail and Cables, Office Telephone
South Africa (Natal, Transvaal, Orange Free State), Madagascar, Mauritius, Mozambique, Reunion	K. F. Noble, Canadian Government Trade Commissioner I. V. Macdonald, Assistant Trade Commissioner	Mutual Building, Harrison Street, JOHANNESBURG	*Mail:* P.O. Box 715 *Cable:* CANTRACOM *Tel.:* 33-2628
South Africa (Cape Province) Southwest Africa	A. W. Evans, Canadian Government Trade Commissioner	Grand Parade Centre Bldg., Adderley Street, CAPE TOWN	*Mail:* P.O. Box 683 *Cable:* CANTRACOM *Tel.:* 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio de Oro, Tangier	M. T. Stewart, Commercial Counsellor	Canadian Embassy, Edifico España, Avenida de Jose Antonio 88, MADRID	*Mail:* Apartado 117 *Cable:* CANADIAN *Tel.:* 47-54-00
Sweden Finland	A. P. Bissonnet, Commercial Secretary	Canadian Embassy, Strandvagen, 7-C, STOCKHOLM	*Mail:* P.O. Box 14042 *Cable:* CANADIAN *Tel.:* 67-92-15
Switzerland Austria Czechoslovakia, Hungary	B. I. Rankin, Commercial Secretary N. W. Boyd, Assistant Commercial Secretary	Canadian Embassy, Kirchenfeldstrasse 88, BERNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 4-63-81
Trinidad Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, French West Indies	D. B. Laughton, Canadian Government Trade Commissioner	Colonial Building, 72 South Quay, PORT-OF-SPAIN	*Mail:* P.O. Box 125 *Cable:* CANADIAN *Tel.:* 34787
United Kingdom (South of England, East Anglia, Scotland), British West Africa (Gambia, Gold Coast, Nigeria, Sierra Leone)	H. L. Brown, Commercial Counsellor G. H. Rochester, Commercial Counsellor (Timber) D. A. B. Marshall, Commercial Counsellor (Agricultural) T. M. Burns, Commercial Secretary	Office of the High Commissioner for Canada Trafalgar Square, LONDON, S.W.1	*Mail:* (City Address) *Cable:* SLEIGHING *Tel.:* Whitehall 8701 *Cable:* TIMCOM
United Kingdom (Midlands, North England, Wales)	Canadian Government Trade Commissioner	Martins Bank Building, Water Street, LIVERPOOL	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Central 0625
United Kingdom (Northern Ireland)	T. G. Major, Canadian Government Trade Commissioner	36 Victoria Square, BELFAST	*Mail:* (City Address) *Tel.:* 21867
United States Delaware, Maryland, Virginia, West Virginia	R. G. C. Smith, Commercial Counsellor Dr. W. C. Hopper, Agricultural Counsellor	Canadian Embassy, 1746 Massachusetts Ave., N.W. WASHINGTON 6, D.C.	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* DEcatur 2-1011
Washington	H. A. Gilbert, Commercial Secretary D. H. Burns, Assistant Agricultural Secretary		

Territory	Officer	City Address	Mail and Cables, Office Telephone
United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda, Liberia	S. V. Allen, Deputy Consul General (Commercial) C. R. Gallow, Consul and Trade Commissioner H. E. Lemieux, Consul and Trade Commissioner	Canadian Consulate General, 620 Fifth Ave., NEW YORK CITY 20	*Mail:* (City Address) *Cable:* CANTRACOM *Tel.:* JUdson 6-2400
United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire)	D. H. Cheney, Consul and Trade Commissioner	Canadian Consulate General, 532 Little Building, 80 Boylston Street, BOSTON 16	*Mail:* (City Address) *Tel.:* HAncock 6-4320
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	G. A. Newman, Deputy Consul General (Commercial) R. F. Renwick, Consul and Trade Commissioner W. G. D'Arcy, Vice Consul and Assistant Trade Commissioner	Canadian Consulate General, 1412 Garland Building, 111 North Wabash Avenue, CHICAGO	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* RAndolph 6-6033
United States (Michigan, Ohio)	M. J. Vechsler, Consul and Trade Commissioner A. A. Lomas, Vice Consul and Assistant Trade Commissioner	Canadian Consulate, 1139 Penobscot Building, DETROIT 26	*Mail:* (City Address) *Tel.:* WOodward 5-2811
*United States California (the ten southern counties), Clark County in Nevada, Arizona, New Mexico.	Consul General	Canadian Consulate General, 510 West Sixth Street, LOS ANGELES 14	*Mail:* (City Address) *Tel:* VAndike 2233
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	A. A. Caron, Consul and Trade Commissioner	Canadian Consulate General 215-217 International Trade Mart NEW ORLEANS 12	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* RAymond 2136
*United States California, (except the ten southern counties), Wyoming, Nevada (except Clark County), Utah, Colorado, Hawaii	Consul General	Canadian Consulate General, 3rd Floor, Kohl Building, 400 Montgomery Street, SAN FRANCISCO 4	*Mail:* (City Address) *Tel.:* SUtter 1-3039
*United States (Oregon, Idaho, Washington, Montana), Alaska	Consul General	Canadian Consulate General, The Tower Building, Seventh Avenue at Olive Way SEATTLE 1, Washington	*Mail:* (City Address) *Tel.:* MUtual 3515
Uruguay Paraguay Falkland Islands	C. B. Birkett, Commercial Counsellor	Canadian Embassy, No. 1409 Avenida Agraciada, Piso 7° MONTEVIDEO	*Mail:* Casilla Postal 852 *Cable:* CANADIAN *Tel.:* 96096
Venezuela Netherlands Antilles	R. E. Gravel, Commercial Secretary A. G. Kniewasser, Commercial Secretary W. G. Brett, Assistant Commercial Secretary	Canadian Embassy, Edificio Pan American, Puente Urapal, CARACAS	*Mail:* Apartado 3306 *Cable:* CANADIAN *Tel.:* 54-3431

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1·03426.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent Nov. 9	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Official	·05372	18·62	(1)
		Free	·02989	33·46	
Austria	Schilling		·03719	26·89	
Australia	Pound		2·1525	·4646	
Belgium, Belgian Empire and Luxembourg	Franc		·01942	51·49	
Bolivia	Boliviano	Official	·005089	196·50	
British West Indies	Dollar		·5605	1·78	(2)
	Pound		2·6906	·3716	(3)
	Dollar	British Honduras	·6726	1·487	
Brazil	Cruzeiro	Effective selling*			
		*Category I	·0151	66·05	*Oct. 31 (4)
		Category II	·0108	92·23	
		Category III	·0061	146·18	
		Official buying	·0527	18·99	(5)
Burma	Kyat		·2030	4·93	
Ceylon	Rupee		·2018	4·96	
Chile	Peso	Free	·001922	520·29	(15)
Colombia	Peso	Basic	·3868	2·59	(7)
		Free*	·1571	6·37	*Nov. 9
Costa Rica	Colon	Official	·1722	5·81	
		Controlled free	·1456	6·87	
Cuba	Peso		·9669	1·034	tax 2% (4)
Czechoslovakia	Koruna		·1343	7·446	
Denmark	Krone		·1400	7·143	
Dominican Republic	Peso		·9669	1·034	
Ecuador	Sucre	Official	·06446	15·513	
		Free	·05007	19·972	
Egypt	Pound	Official	2·7764	·360	(6)
El Salvador	Colon		·3868	2·585	
Fiji	Pound		2·4240	·413	
Finland	Markka		·004204	237·86	
France, Monaco and North Africa	Franc		·002763	361·92	(8)
French Colonies in Africa	Franc		·005525	180·96	(9)
French Pacific	Franc		·01520	65·79	(10)
Germany	D Mark		·2305	4·34	
Greece	Drachma		·03223	31·03	
Guatemala	Quetzal		·9669	1·034	
Haiti	Gourde		·1934	5·17	
Honduras	Lempira		·4834	2·07	
Hong Kong	Dollar	Free*	·1570	6·37	*Oct. 26
		Official	·1682	5·95	
Iceland	Krona	Official	·05937	16·84	
		Special selling	·0347	28·84	(11)
India	Rupee		·2018	4·96	
Indonesia	Rupiah	Basic	·08514	11·75	(12)
Iran	Rial	Certificate	·0128	78·35	
Iraq	Dinar		2·7073	·369	
Ireland	Pound		2·6906	·3716	
Israel	Pound		·5372	1·86	
Italy	Lira		·001552	644·33	
Japan	Yen		·002686	372·30	

* Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent Nov. 9	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	·3029	3·30	
Mexico	Peso		·07735	12·93	
Netherlands	Florin		·2525	3·96	
Netherlands Antilles	Florin		·5088	1·97	
New Zealand	Pound		2·6906	·3716	
Nicaragua	Cordoba	Effective buying	·1465	6·83	
		Official selling	·1372	7·29	
Norway	Krone		·1354	7·39	
Pakistan	Rupee		·2018	4·96	
Panama	Balboa		·9669	1·034	
Paraguay	Guarani	Official	·01611	62·07	(6) (13)
Peru	Sol	Certificate	·05089	19·65	
Philippines	Peso		·4834	2·07	
Portugal & Colonies	Escudo		·03374	29·64	(14)
Singapore & Malaya	Straits dollar		·3139	3·19	
Spain & Dependencies	Peseta	Basic buying	·04415	22·65	(6)
		Basic commercial selling	·0589	16·98	
		Free	·02482	40·29	
Sweden	Krona		·1869	5·35	
Switzerland	Franc		·2256	4·43	
Syria	Pound	Free*	·2755	3·63	*Oct. 15
Thailand	Baht	Free	·04723	21·17	(6)
Turkey	Lira		·3453	2·90	
Union of South Africa	Pound		2·6906	·3716	
United Kingdom	Pound		2·6906	·3716	
United States	Dollar		·966875	1·03426	
Uruguay	Peso	Free*	·2429	4·117	
		Basic buying	·6365	1·571	(6)
		Principal selling	·4608	2·17	(16)
Venezuela	Bolivar		·2886	3·465	
Yugoslavia	Dinar		·003223	310·27	(6)

* Latest available quotation date.

notes

1. Argentina: additional rates result from exchange retentions on export proceeds and surcharges on imports.
2. Barbados, Trinidad, Tobago, Leeward and Windward Islands, British Guiana.
3. Bahamas, Bermuda, Jamaica.
4. Tax of 10 per cent affects selling (import) rates only. Tax is based on official rate, and is therefore 1.88 cruzeiros per U.S. dollar.
5. Brazil: currency certificates auctioned for five import categories. Effective selling rate is official rate of 18.82 to U.S. dollar plus price of certificate. Exporters receive cruzeiros at official rate plus exchange premiums ranging from 18.70 to 48.64 cruzeiros per U.S. dollar, depending on product. Three rates shown cover bulk of transactions for auction.
6. Additional rates are in effect.
7. Colombia: stamp taxes of 3, 10, 30, 80 and 100 per cent on imports depending on essentiality. The free rate applies to minor exports and less essential imports.
8. Includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
9. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
10. New Caledonia, New Hebrides, Oceania.
11. Iceland: special selling rate applies to certain designated commodities.
12. Indonesia: basic rate applies to most exports and a few essential imports. Purchase of exchange for other imports is subject to surcharges of 50, 100, 200 and 400 per cent depending on products.
13. Official rate applies to exports and essential imports. For non-essential imports there is a surcharge of 25 Guaranis per U.S. dollar.
14. Portugal: approximately same rate for Portuguese Territories in Africa.
15. Chile: free rate applies to exports and to imports, except prohibited imports. Chilean importers must deposit local currency in amounts ranging from 5 to 200 per cent, depending on product, prior to shipment of goods.
16. Certain essential imports are subject to a fixed rate of 2.10 pesos per U.S. dollar, and no longer require import permits. Other imports are subject to the free rate, and are under quota. Exports are subject to a variety of rates according to the product. Exports will be divided into eleven categories for exchange rate purposes. Depending on the product, the export rates which will apply range from 100 per cent of the free rate to 100 per cent of the basic export rate of 1.519 pesos per U.S. dollar.

trade and tariff regulations

Ireland

IMPORT CONTROLS—By two Orders of the Government of the Republic of Ireland, issued under the Control of Imports Acts 1934 and 1937, further quotas and quota periods have been announced as follows:

Certain electric filament lamps: 100,000 articles for the period December 1, 1956, to November 30, 1957, as against a similar quantity for the previous twelve months' period.

Certain woven cotton piece goods: 5,122,000 square yards for the period December 1, 1956, to November 30, 1957, as against 5,276,000 square yards for the previous twelve months' period—Dublin, Nov. 1.

South Africa

IMPORT CONTROL FOR 1957—The South African Minister of Economic Affairs recently announced the provisional import policy for 1957. The main points are:

- The liberal licensing policy for machinery and genuine raw materials, which had previously been established, will be continued in 1957.
- The "Restricted List" is to be reduced considerably, thus widening the importers' choice. Importers who wish to import goods retained on the list will have to, as in the past, make special application and each case will be dealt with on its merits.
- More freedom is to be granted to importers in the purchase of certain types of building materials, and more generous quotas will be available for motor vehicles, which retail on the coast at up to £700 and which are in short supply.
- The preliminary quota for consumer goods will be the same as last year, i.e., 33⅓ per cent of 1948 imports by each importer. However, there will be more favourable treatment of "deserving" new and expanded businesses.

Final details regarding import allocations for 1957 will, as is customary, be announced during the first half of next year.

United Kingdom

WHISKY IMPORTS LIBERALIZED—A Notice to Importers issued by the Board of Trade on November 6th announces that, with effect from November 12th, whisky may be imported into the United Kingdom from any country under Open General Licence.

Imports from dollar countries such as Canada and the United States had previously required individual import licences covering specific transactions.

Tours of Territory

L. D. BURKE, Assistant Commercial Secretary in Santiago, Chile, will visit Concepcion in southern Chile and the surrounding district for one week early in December.

A. P. BISSONNET, Commercial Secretary in Stockholm, Sweden, will visit Finland from December 3-7.

R. W. BLAKE, Commercial Secretary in Melbourne, Australia, will visit Tasmania from December 10-19.

G. F. OSBALDESTON, Vice Consul and Assistant Trade Commissioner in São Paulo, Brazil, will visit Porto Alegre, Curitiba, Joinville, Blumenau, Florianopolis, and Paranagua for three weeks, beginning November 16th.

C. O. R. ROUSSEAU, Assistant Commercial Secretary in Mexico City, will complete his visit to Mexican cities of Mazatlan, Culiacan, Los Mochis, Ciudad Obregon, Guaymas, and Hermosillo, and Baja California, at the end of November.

R. E. GRAVEL, Commercial Secretary in Caracas, Venezuela, will visit the Netherlands Antilles in December.

Businessmen who would like these officers to undertake assignments for them in these areas should get in touch with them at their posts as soon as possible. Mr. Burke can be reached at his office in Santiago, Mr. Bissonnet at Stockholm, Mr. Blake at Melbourne, Mr. Osbaldeston at São Paulo, Mr. Rousseau at Mexico City, and Mr. Gravel at Caracas.

DECEMBER 8, 1956

foreign trade

ADA

EUROPEAN PROPOSALS FOR A COMMON MARKET (page two)

ANADA

foreign trade

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WM. FREDERICK BULL, Deputy Minister.

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cover An aerial view of the heart of Paris, with the Île de la Cité in the foreground. At OEEC headquarters in Paris, discussions are proceeding on the possible creation of a Free Trade Area among various European countries. For background information on this proposal and on the one for a Customs Union involving six countries, turn to the article on page two.

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European Proposals for a Common Market

Discussions currently going on in Paris and in Brussels over establishment of common market among various Western European countries, including the United Kingdom, have attracted wide attention. Here is an explanation of what the common market means and of how this economic integration might take place.

International Trade Relations Branch.

OVER THE PAST SEVERAL YEARS, there have been many plans and proposals for closer economic co-operation in Europe. Some of these have not gone beyond the stage of study and discussion. On the other hand, there have been some important concrete achievements in this field. The Organization for European Economic Co-operation, the Benelux Economic Union and the European Coal and Steel Community are evidence of the interest in and the desire for such co-operation. The plans for a Customs Union and Free Trade Area which are now being actively considered by European countries are far more comprehensive and ambitious than any previous projects. They stem from the belief among European countries that only through economic integration can they achieve a high level of economic activity and greater political strength.

There need not necessarily be any conflict between these new regional initiatives and the broader objectives of the GATT. The General Agreement permits the creation of a Customs Union or a Free Trade Area among countries wishing to achieve a closer integration of their economies, provided that the purpose is to facilitate trade among the parties and not to raise barriers against the outside world.

Two Terms Defined

What is the difference between a Customs Union and a Free Trade Area? *A Customs Union* is a group of two or more countries in which the tariffs and other trade restrictions are eliminated on substantially all the trade within the union and in which a common tariff is substituted for the existing separate tariffs of the members against the trade of territories outside the union.

A Free Trade Area is a group of two or more countries in which the tariffs and other trade restrictions are eliminated on substantially all the trade within the group but in which each country retains its own separate and different tariff system vis-à-vis countries outside the area. This clearly involves setting up a system of certificate of origin to control transit trade within the area.

In summary, the essential difference between a Customs Union and a Free Trade Area consists in the fact that the countries forming a Customs Union must apply a common tariff to imports from outside countries, but in a Free Trade Area the member countries are free to retain their diverse national tariff systems for their trade with outside countries.

Negotiations Proceeding

The six European countries—France, Germany, Italy, Belgium, Luxembourg and The Netherlands—are currently discussing the formation of a Customs Union

among themselves. They expect to have a draft Customs Union Treaty ready for submission to their parliaments by the middle of 1957. Needless to say, the negotiations being conducted at present among these countries are extremely difficult and complex.

The United Kingdom has decided to enter into negotiations for a Free Trade Area arrangement with the six countries forming the Customs Union and possibly with other European countries. The United Kingdom has had some preliminary consultations with Canada and other Commonwealth countries about this proposal, and discussions on the subject are currently proceeding at the OEEC* in Paris among the various European countries concerned. A report setting forth the methods and procedures for the establishment of a Free Trade Area associated with the Customs Union is expected to be ready by the end of the year.

A Free Trade Area between the United Kingdom and other European countries associated with the Customs Union of the six countries would constitute a large common market with a population of possibly 250 million consumers and a combined gross national product which currently totals about $175 billion. The external trade of this area is valued today at $71 billion and accounts for 40 per cent of world trade. About half of Western Europe's foreign trade is conducted with non-European countries.

Customs Union Proposals

The European common market proposals emerged from a conference of the Foreign Ministers of Germany, France, Italy, Belgium, Luxembourg and the Netherlands held in Messina in June 1955. A subsequent report of the Heads of Delegations laid down a set of objectives and methods which may, however, be substantially modified by the time final agreement has been reached on a treaty.

The original recommendations of the report consist of three essential points:

1. The gradual abolition of tariffs and other restrictions on the trade of member countries.
2. The establishment of a common external tariff to be applied by the six countries against the outside world.
3. The creation of common institutions designed to supervise and administer the rules and regulations arising out of the Customs Union Treaty.

*The following countries are members of the Organization for European Economic Co-operation: Austria, Belgium, Denmark, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Sweden, Switzerland, Turkey, United Kingdom. The United States and Canada are associated members.

The abolition of tariffs would take place over a period of 12 years divided into three stages of four years each, the last of which may be extended a further three years. The reduction would be in accordance with the following time-table. One year after the treaty has entered into force, there would be a general reduction of 10 per cent, followed by 10 per cent every 18 months, totalling 30 per cent in the first four years. During the second stage, another reduction of 30 per cent would take place with two reductions of 10 per cent at the end of each successive period of 18 months and 10 per cent at the end of the third year, leaving 40 per cent to be eliminated in the third stage.

In addition to the abolition of tariffs, the present proposals call for a broad frontal attack on other impediments to trade such as import restrictions, quantitative restrictions on invisibles and services, and state monopolies, which tend to distort the normal conditions of competition by their effect on costs and prices. The time-limit applied to the elimination of internal tariffs is to be generally the same for the abolition of these other barriers to trade.

Establishment of Common External Tariff

The second feature of the Plan is the replacement of the existing separate tariffs of the member countries by a common tariff against imports from the rest of the world. This would be implemented by stages in the course of the transitional period. Thus, at the end of this period, Canadian and other non-European exports to the six countries would be subject to the new common tariff instead of the separate customs tariffs now in force in each country. The level of the common tariff would in general be based on the arithmetical average of the existing duties of the six countries.

Creation of Common Institutions

Finally, since the members of the Customs Union contemplate achieving their objectives through a federal approach, the initial plan suggests the setting-up of two new European institutions: first, a council of Ministers which would be the instrument of consultations and the body which would take common decisions, and second, a European Commission which would be responsible for the administration and operation of the common market. In addition, complaints and appeals would be dealt with by the Court of the European Coal and Steel Community.

Free Trade Area

Under the original proposal, membership in the Customs Union would be open to other European countries, but the plan also envisages the possibility that one or more countries might seek a close association with the Union through a Free Trade Area.

What the Prime Minister Said

The Right Honourable Louis S. St. Laurent, Prime Minister of Canada, on November 13th issued the following statement on behalf of the Government in response to questions that had been addressed to Ministers concerning the suggestion that the United Kingdom might join a Free Trade Area embracing most of Western Europe.

"The Canadian Government has been informed by the Chancellor of the Exchequer and the President of the Board of Trade of the proposals under consideration by the Government of the United Kingdom which would involve the United Kingdom entering a Free Trade Area in Western Europe along with France, Belgium, The Netherlands, Luxembourg, Germany and Italy (who are considering the establishment of a full Customs Union among the six of them), and other countries of Western Europe. The entry by the United Kingdom into such a free trade arrangement with European countries would entail the removal by defined stages of its customs duties on the products of such countries in return for reciprocal action on their part toward United Kingdom products. The United Kingdom proposes that this arrangement would not apply to foodstuffs, feeds, beverages or tobacco. In that event such advantages as are now accorded by the United Kingdom to imports of these types of products from other Commonwealth countries would not be affected.

"Even with the exclusion of such products, the changes in United Kingdom and European trading relations involved in the carrying out of these proposals would present a number of problems for Canadian trade with the countries concerned. The various possible effects upon Canada's trade and upon our existing trade arrangements will require detailed study by the Government and thorough discussions with the other Governments concerned.

"It will be important that the carrying out of these proposals proceed according to a definite program and on a firm time-table and be accompanied by appropriate internal economic policies. The proposed new arrangement will have its most beneficial effects if it is brought into being with a minimum of discrimination against the trade of other countries and if the expansion of mutually advantageous trading relations with other countries is encouraged.

"If the proposals are carried through with determination, and at the same time the countries concerned proceed forthrightly with the removal of other trade barriers between themselves, and also against other countries as they are already pledged to do, it should be possible to surmount any difficulties which may be created and to increase the flow of trade, and maintain the ties, between this large European area and the rest of the world. On the other hand a partial development that resulted only in the creation of a new system of intra-European tariff preferences would interfere with trade between Europe and other countries, including Canada, without achieving the positive results which are expected from a full implementing of the plan. Similarly, it would be a matter of concern to us if the pursuit of this European objective, worthy as it is, were to result in an increase in tariffs against non-European countries or in less effort or willingness to reduce the other barriers to the development of competitive multilateral trade, which is the over-riding objective of the Canadian Government and of the General Agreement on Tariffs and Trade.

"Should the proposals be adopted and successfully carried through by Britain and nations of Western Europe they should increase the economic strength and prosperity of the peoples of that whole great area and also their sense of solidarity and common purpose even beyond the economic field. Such a result could not fail to be welcomed by Canadians whose security, and cultural and political heritage as well as economic welfare, have been, and are, so closely linked with that part of the world."

In July 1956 the United Kingdom declared its intention to study this type of association. The United Kingdom Government has indicated that its decision not to join the full Customs Union was primarily due to the fact that if it adopted a European common tariff, Commonwealth exports to Britain would be subject to duties; at the same time, however, the United Kingdom felt it could not stand aside from this important European initiative. Therefore, the United Kingdom has decided to explore with other countries in Western Europe the possibility of associating itself with a partial Free Trade Area arrangement.

The exact methods by which the Free Trade Area will be implemented are not expected to be known for some time, but they would undoubtedly aim at being

closely co-ordinated with what is being proposed for the Customs Union. The United Kingdom has made it clear that it would wish to exclude the agricultural sector—embracing raw or manufactured foodstuffs, feedingstuffs and drink and tobacco—from the scope of the Free Trade Area. The United Kingdom feels that by retaining its present tariff structure in the agricultural field, it would in effect be safeguarding the existing position for the great bulk of Commonwealth exports to the United Kingdom and would thus minimize the effects on the Commonwealth of its new European relationship.

Canadian Trade with Western Europe

The United Kingdom and continental Europe represent the second largest market for Canadian goods, absorbing more than one-fourth of total Canadian exports. The bulk of this trade consists primarily of basic foodstuffs and industrial raw materials and only about one-tenth is made up of manufactured goods. The composition of Canadian exports to Western Europe reflects the importance for Canada of this area, which is the largest market for many Canadian exports such as wheat, aluminum in primary forms, barley, polystyrene, synthetic resins, etc. As the table shows, an outstanding feature of Canadian exports in recent years is the fact that Canadian sales to Europe have continued to expand rapidly and at a faster rate than Canadian exports to the United States.

CANADIAN EXPORTS TO THE U.S. AND EUROPE, 1950, 1955

(in millions of dollars)

	1950	*1955*	*Percentage increase from 1950-1955*	*Share in total Can. exports*
United States	2,020	2,574	21	60
United Kingdom	469	769	60	18
OEEC Continental countries	201	373	46	9
of which Customs Union countries (Germany, Italy, France, Belgium, Luxembourg, Netherlands)	117	262	55	6

The largest increases in Canadian exports to Europe in this period occurred in industrial raw materials and basic foodstuffs and have been largely determined by the expansion in economic activity in the countries concerned. The increase affected mainly about a dozen traditional exports, (wheat, aluminum in primary forms, planks and boards, nickel, copper, chemicals, barley, newsprint, wood pulp and seeds) which alone represented about 60 per cent of total Canadian sales to Western Europe. The United Kingdom is the second largest market for Canadian exports and absorbs substantial quantities of basic commodities which are important to our economy such as wheat, barley, flour, aluminum, copper and other industrial raw materials. Canadian exports to the United Kingdom, valued at nearly $800 million in 1955, showed an increase of 60 per cent over a five-year period. Canada's main markets on the continent of Europe are Germany ($91 million), Belgium-Luxembourg ($53 million), Netherlands and Norway ($47 million each), France ($42 million), Italy ($27 million), and Switzerland ($25 million). About one-half of total Canadian shipments to these countries is made up of agricultural products of which wheat, at $92 million, is the largest single item. The next largest exports are drugs and chemicals ($26 million), flaxseed, asbestos, and aluminum.

The present pattern of Canadian exports to Western Europe is affected by the nature of import restrictions maintained by these countries against dollar goods. Although substantial progress has been made in this area in the removal of quantitative restrictions on agricultural products and raw materials originating from dollar countries, most European countries continue to maintain severe import restrictions against manufactured goods from dollar countries. Switzerland and the Belgo-Luxembourg Economic Union have achieved the highest degree of dollar liberalization in all categories of products; the United Kingdom and Italy, on the other hand, have freed chiefly goods other than manufactures. Fairly recently The Netherlands, Germany and Sweden have also introduced extensive liberalization measures or have substantially relaxed restrictions. Finally, France, Austria and Norway apply no official liberalization measures but grant liberal treatment to imports of basic products.

Possible Effects Undetermined

The possible effects of these plans on Canadian trade will depend on the height of the common tariff of the Customs Union among the six countries, on the extent to which European markets will expand as a result of the Customs Union and Free Trade Area, and on the extent to which these countries pursue liberal trade policies through the removal of trade barriers and discrimination against the outside world. There is no doubt, of course, that Canada is keenly interested in following these developments closely and in detail.

Although the information contained in this article is based on reliable statements, it must of course be recognized at this stage that all of the plans and proposals are subject to negotiation among the principals. Substantial amendments should therefore be expected. For the same reason, this article does not attempt to analyze the effects of these proposals upon Canadian trade in the future. ●

78239—2

Australia: the Picture Brightens

Import restrictions continue but balance of trade is showing a favourable trend, with dropping imports and buoyant wool prices. Purchases from Canada holding up well but range is limited.

J. C. BRITTON, *Commercial Counsellor, Sydney.*

SOME BRIGHT SPOTS have appeared in the Australian trade and economic picture during the past fiscal year. The final foreign trade figures were satisfactory on the whole, with imports down and exports up slightly. In recent months the Government has put great emphasis on the strengthening of Australia's balance of payments, and in September this effort began to bear fruit. For that month, preliminary figures show that imports dropped to £A54·0 million, down more than 25 per cent from the year before. At the same time, exports climbed to £A61·8 million, up 14 per cent from the previous year. This favourable trend continued and by mid-November overseas reserves of the Central Bank, at £A299·8 million, reached the highest level for this fiscal year.

Wool Exports Up

Wool, the most important single export, sparked the rise in sales abroad. During the three months ended September 30, wool sales totalled more than £48 million, up 25 per cent in value from sales a year ago. This rise was made possible by a substantial increase in wool prices; quantities showed a slight decline.

The general level of industrial activity, construction and business turnover has remained high. Wages rose 9 per cent in the fiscal year ended June 30th, company income increased 5 per cent, and business and professional income 7 per cent. Farm income, however, was down 6 per cent. The cost and price spiral has lately been accelerating in spite of measures designed to lessen economic pressures. Strikes such as the long-drawn-out shearers' strike in Queensland continue to harass the export trade drive and the continuation of the automatic adjustments to the basic wage in some states increases domestic inflationary pressures.

Australia's total foreign trade for the 1955-56 fiscal year, compared with the 1954-55 figures, is shown below:

	1955-56	*1954-55*
Exports	A£ 784·7 million	A£ 774·1 million
Imports	A£ 820·5 million	A£ 843·7 million
Total	A£1,605·2 million	A£1,617·9 million

Her chief trading partners, with the value of exports to and imports from each of them, are given below:

EXPORTS TO

(million £'s)

	1955-56	*1954-55*
United Kingdom	258·0	285·5
Japan	86·8	58·6
France	67·4	64·1
United States	55·2	52·4
Germany	36·5	31·8

IMPORTS FROM

(million £'s)

	1955-56	*1954-55*
United Kingdom	355·9	378·7
United States	98·7	102·2
Germany	33·0	30·1
Arabian States	28·4	27·9
India	23·4	26·1
Canada	23·4	23·8

The chief commodities exported from Australia were:

(million £'s)

	1955-56	*1954-55*
Wool	337·9	355·1
Wheat	46·5	45·2
Flour	19·8	20·3
Zinc ores and concentrates	266·8	200·7
Pig lead	141·4	140·3

Import Policy

The Federal Treasurer, in introducing the budget for 1956-57, referred specifically to Australia's import restrictions. He pointed out that the continuance of these restrictions at the present degree of severity over a lengthy period would damage the Australian economy. He offered no solution but suggested that, unless there was a major improvement in export earnings, or unless

pital inflow increased considerably, it was difficult see how the picture could improve much in the ar future. "The Government had no choice," the easurer pointed out, "but to curtail imports, but would be the last to claim that the present state of ngs is satisfactory or even tolerable." He called an income from exports of nearer to A£1 billion n the present A£800 million, and also a steady w of capital on both public and private account. wever, he did not join with those who say that, ess Australia reduces its rate of economic growth, country must resign itself to a chronic shortage of eign exchange and perpetual import restrictions. e Department of Trade, now responsible for both ports and exports, has been streamlining the entire port permit system to reduce the monthly value of ports to A£55 million. The figures for July, when ports stood at A£57·8 million, showed some gress towards this goal. In August they rose sharply A£78·7, but provisional figures for September wed an encouraging drop to £A54 million, as nted out earlier. The import returns for the next months will be watched closely and, under the w flexible import permit system, the authorities will utinize import applications very carefully.

licy to Increase Exports

e Government's trade promotion program is being hed steadily, with worthwhile results. It is expected, example, that an additional A£1 million of stralian-made motor vehicles will go to New Zealand year. A new market for Australian wool tops has n opened in India and fabricated Australian steel found new customers. The Minister for Trade ently outlined a new six-point plan to boost export nings. These points were stressed in the recent de negotiations with the United Kingdom and will be emphasized in trade talks with other countries. e objective is to ensure for Australia continued access existing markets; protection against discriminatory ff obstacles; protection against dumping in traditional markets; and opportunity to purchase at the t possible terms in world markets, without crimination.

stralia has now concluded the new trade agreement h the United Kingdom and a summary of this eement is given in the *Trade and Tariff* section of issue. It is understood that Australia is also negoing a trade agreement with Japan.

nada's Exports to Australia

ere import restrictions currently in force in Austra- have limited the range of Canadian products that v enter the country. However in 1955-56 Canadian orts totalled £22·7 million compared with £23·3 llion in the previous year. Shown below are the more important products imported from Canada in 1955-56, with the comparative figures for the previous year.

PRINCIPAL IMPORTS INTO AUSTRALIA FROM CANADA

	1955-56	*1954-55*
Douglas fir	£4,596,348	£4,923,510
Motor vehicles and parts	4,063,642	3,778,147
Newsprint	3,234,496	4,109,392
Aluminum ingots	1,699,756	1,728,572
Asbestos, crude and fibre	1,216,478	1,797,497
Special steels	874,720	436,889
Tobacco, unmanufactured	553,705	711,770
Copper	549,079	1,109,678
Crude synthetic rubber	301,737	*Nil
Salmon	282,849	245,151
Redwood and western red cedar	215,871	200,243
Natural sausage casings	202,038	273,939
Hemlock	198,192	126,519
Roller and other ball bearings	184,403	43,541

* Not listed.

Australia's exports to Canada increased slightly from £10,503,000 in 1954-55 to £10,900,000 in 1955-56. Wool exports amounted to £2,848,000 in 1955-56 and £2,334,000 in the preceding fiscal year. Sugar cane exports in the two years were valued at £3,491,125 and £3,408,000; tinned beef at £1,017,958 and £1,139,158; raisins £1,351,474 and £1,332,248; sausage casings (natural) £279,987 and £179,000; currants £242,305 and £219,891, and wines £169,313 and £172,561.

Gift Clubs Flourish

The Gift Club, a relative newcomer in U.S. merchandising, is making steady progress as a purveyor of unusual and exotic items to the American public. Some 24 clubs scattered over the United States cater to the desires of some 500 thousand individual American customers and even business firms find them a useful source of supply for sales premiums and incentive awards for salesmen. Many of the clubs specialize in particular items or in the products of a particular country. As a rule they try to find merchandise that is not already sold generally in the United States and that has an appeal based on foreign identification.

The most popular items are those that are priced at $1.00 or below in their country of origin; many of them come from small handicraft industries. Mailing from the overseas supplier to the members adds to the foreign atmosphere of the purchase and also facilitates duty-free entry. Because items are sold sight unseen, the clubs are liberal in their refund arrangements if the merchandise proves to be unsatisfactory. One of the major problems they face is a continuous need for new and different products.

78239—2½

Exporting through the C.C.C.

A government-owned export agency, the Canadian Commercial Corporation, is the official channel through which the exporter sells goods required for Canada's military and economic aid programs overseas, to fill orders from the United States for defence materials, and to meet a variety of requests from foreign governments for goods and services. This article, nineteenth in our series on the techniques of exporting, explains the role of the C.C.C. and its relations with the exporter.

J. T. DAVIDSON, *Information Branch.*

NAME ANY TYPE OF PRODUCT and we wager that the Canadian Commercial Corporation has arranged for its purchase or shipment overseas at least once. Currently the Corporation is involved in procuring equipment and supplies of all kinds to fill North American defence orders placed here by the United States Government. But it also handles exports of munitions and military stores for NATO and defence orders for Commonwealth and other friendly nations. The advantages of using the services of the Corporation should not be overlooked by those countries which normally purchase defence supplies in Canada.

The activities of the CCC are, of course, much broader than its role as an exporter of defence material: in fact, it can help manufacturers and suppliers to expand their sales. This Crown Company is the Canadian purchasing agency for international organizations such as UNICEF and UNKRA; it purchases equipment and supplies and arranges for technical services under the Colombo Plan; it buys relief supplies and ships them to disaster areas when orders are placed by the Canadian Government.

The company is also in the import business—for example, it brings in Rhesus monkeys for the Salk vaccine program and secures abroad certain strategic materials used for defence purposes.

Value of Contracts

During the 1955-56 fiscal year, the value of all contracts awarded by the CCC totalled $77,860,000. Of this amount, $46·6 million covers contracts placed on behalf of the United States military departments with Canadian suppliers—mainly for explosives, military aircraft and parts, and electronic devices used by the Armed Forces. Substantial too were the sums allotted for the purchase of commodities such as chemicals and petroleum products and for obtaining general supplies. Included in this total was equipment and services for joint Canadian-United States defence projects.

Contracts placed for arms for shipment to NATO reached $6·0 million in the last fiscal year and military stores and other defence supplies ordered by the United Kingdom totalled $1·35 million; defence orders from several non-NATO and Commonwealth countries totalled $897 thousand. All this represents orders handled by the CCC.

Most of the Corporation's non-military trade resulted from orders worth nearly $21·8 million placed on behalf of the Colombo Plan Administration for construction materials; generating, transportation and communication equipment; surveying and engineering services for Canada's share in South East Asian development projects, principally in India, Pakistan and Ceylon. The United Nations relief agencies placed orders in Canada through the CCC for supplies worth $694 thousand.

Selling through the CCC

As a Crown Company responsible to Parliament through the Minister of Defence Production, the CCC follows the buying policies of the Department of Defence Production (DDP) and, to a considerable extent, uses the facilities of that department for the calling of tenders and for the negotiation and placing of contracts. Any company wishing to compete for CCC business merely has to see that its name is included in the DDP tender lists for the commodities which it is prepared to supply.

The Corporation works out all details of specifications, packaging, shipping, financing, etc., in connection with a contract or inquiry with the requisitioning agency. In most cases, it then requests DDP to obtain quotations or proposals from Canadian industry on its behalf.

The manufacturer must decide first what products he will be willing to supply. He then writes the Secretary of the Department of Defence Production requesting him to place the firm on the tender lists for these commodities. The Secretary sends a questionnaire to the seller requesting details of plant facilities and other pertinent information; the company must return the form and have it approved before its name will be placed on the lists. The DDP must satisfy itself that any firm asked to tender is capable of supplying the quality and quantity of goods it requires.

The full address for information on tenders and making applications is as follows:

> The Secretary,
> Department of Defence Production,
> No. 2 Temporary Building,
> 70 Lyon Street,
> Ottawa, Ontario.

The Department of Defence Production uses the same tender lists both when it procures supplies for the Department of National Defence and when it places orders for the CCC. A businessman may return a successful tender and be awarded a contract either for the Department of National Defence (which could be called a domestic market) or for the Canadian Commercial Corporation which is, in effect, an export market for his goods.

What the CCC Buys

Recent boosts in Canada's contributions to the Colombo Plan, especially for hydro-electric projects, has upped the proportion of non-military goods and services purchased by the Corporation. At the same time, purchases in Canada by U.S. Defence Departments through the CCC have eased off considerably—$2 million less in 1955-56 than in 1954-55.

Orders placed for engineering and construction services connected with the Colombo Plan power projects in Pakistan, India, Ceylon, and Burma amounted to $13 million in 1955-56; the Corporation also bought generators and other electrical power equipment valued at $4·4 million. Other projects under the Plan, to improve transportation facilities and bulk handling of materials and also to improve farming practices, led to orders for equipment valued at $1·5 million.

The Crown Company, during a typical year, is in the market for a wide variety of goods, as the following summary of additional purchases last year indicates: flour (nearly $3 million); communication and miscellaneous equipment and servicing ($700 thousand); lumber products ($478 thousand); drugs, medical, hospital and laboratory supplies ($148 thousand); wheat ($122 thousand), and insecticides ($54 thousand).

Has Wide Experience

In its brief ten-year history, the CCC has acquired a great deal of experience in procuring supplies and arranging for export shipments. When it was first organized in 1946 the Corporation was to assist in the development of Canada's export trade and help dispose of her goods. To do this, it took over the operations of the Canadian Export Board set up in 1944 to handle purchase and export of the non-military supplies then being poured into liberated countries. Early in 1947, the CCC also accepted the purchasing functions of the wartime Department of Munitions and Supply, thus becoming purchasing agent for the Department of National Defence, as well as handling exports of goods for other government departments. When the tempo of military purchases increased as world tension heightened and after the Korean war broke out, the new Department of Defence Production was organized to take over the rapidly expanding job of procuring munitions and supplies for the Canadian Armed Forces.

By 1951 the Canadian Commercial Corporation had returned to its original export-import activities, although it was shipping mainly arms and military supplies. Its activities and emphases have changed from time to time, but the CCC has continued to provide an export channel for Canadian companies.

Ten years of shipping everything from military aircraft, guns and ammunition to drugs, emergency rations, and clothing to anywhere in the world give the CCC personnel an intimate knowledge of almost any export problem, no matter how intricate. True to the spirit of the Canadian Export Board which it succeeded, the staff of the CCC is broadly interested in expediting Canada's export trade. And, as it carries out its tasks, it avoids competing in any way with the commercial activities of private firms.

New Yeast for Animal Feeds

Cuba is exporting yeast for animal feed to the United States (a large producer itself) for the first time; initial shipment totalled 125 tons. The yeast, a new type and a by-product of the sugar industry, is produced at the Cardenas plant of a well-known Cuban sugar miller and rum distiller.

commodity notes

British East Africa

PASSION FRUIT—The passion fruit industry in East Africa is facing a crisis. Its main market, Australia, has just been closed because of currency problems. The crop, which is grown by Europeans in Kenya and Africans in Northern Tanganyika, is marketed through the Kenya Passion Fruit Board and the Tanganyika Passion Fruit Co. in Lushoto. It is available both in the form of pulp or juice and with its delicate and appealing flavour might well prove popular with the Canadian public—Salisbury, Nov. 12.

Cuba

WHEAT FLOUR—Imports of wheat flour for the first three months of 1956 totalled 50,739,000 lb. as against 48,660,000 lb. in the same period of 1955. Commencing in 1947, when wartime and postwar controls eased off, flour arrivals became more normal (101,800,000 lb. in that year). In 1952, when the first domestic flour mill went into production, flour imports decreased and wheat imports increased. The latter have become more or less stabilized at 48 million lb. a year and the flour imports at about 143 million lb.—Havana, Nov. 16.

Denmark

MINK—Mink is of prime importance to the Danish fur-farming industry at present, since the number of foxes, beaver, and fitch has been further reduced until now these three fur-bearing animals are of little importance.

During the season 1955-56 a total of 414 thousand mink pelts were offered for sale in Denmark, the turnover amounting to 44 million D.kr. The average price for standard mink was 94 D.kr. compared with 107 D.kr. in the preceding season, for silverblu 129 D.kr. as against 120, for sapphire 149 D.kr. compared with 184. The price of silver fox pelts decreased from 70 D.kr. to 48 D.kr., and there seems to be little prospect of increasing interest in these skins.

In 1954, world production of mink amounted to well over four million skins with Scandinavia accounting for 1·1 million, or 27 per cent of the total production. If the present development continues it is estimated that the Scandinavian production of mink skins will reach six million in 1956—Copenhagen, Nov. 9.

Greenland

LEAD AND ZINC—A survey of the first six months' activities in the collieries at Mesters Vig in East Greenland reveals that the total output amounted to some 45,000 tons of ore. This volume was semi-processed at Mesters Vig, where milling and flotation plants are available, and yielded about 4,000 tons of lead concentrate and 6,300 tons of zinc concentrate that will be offered for sale in the powdered state, delivered in sacks. The powdered lead concentrate contains approximately 82 per cent pure lead and the zinc concentrate approximately 63 per cent pure zinc.

Of the first six months' output, some 9,000 tons were shipped to smelting factories in Belgium, which will take delivery of the total 1956 output. Net proceeds for these 9,000 tons of concentrate equalled just under nine million D.kr.—Copenhagen, Nov. 9.

India

DYNAMOS—Two Calcutta engineering firms are to start the manufacture of train-lighting dynamos, an important item of railway equipment which has hitherto been imported. The railways require between 900 and 1,000 dynamos per year, and it is expected that when these two firms are in full production, they will be able to meet about half the country's demand—New Delhi, Nov. 5.

Jamaica

POTATOES—Another record crop of potatoes has been harvested by Jamaican farmers using Sebago seed stock from Canada. The Canadian seed gave an average yield of at least nine to one and may be as much as ten to one. Before last year the yield varied around six to one.

Plans are being made to import 13,000 cases of Sebago seed from Canada next year and 3,000 cases of Aaron Consul from Scotland. Because the

local crop does not meet the Island's total requirements, 1,200 tons of table potatoes will be allowed in from all countries when domestic stocks are used up in November—Kingston, Nov. 14.

Spain

DIESEL MOTOR VEHICLES—Small trucks and cars fitted with diesel motors are to be produced in Spain at the rate of 2,000 in the first year, rising to 6,000 a year when the plant is completed by a new company. The site of the plant has not yet been decided, but likely will be at Avila—Madrid, Nov. 13.

Surinam

PREFAB HOUSES—A plywood and lumber mill in Surinam is reported to have shipped 200 small prefabricated houses to the West Indian island of Grenada. These two-roomed units are of the simplest possible construction and lowest price. They are intended to supply temporary shelter for those still homeless as a result of Hurricane Janet in September 1955. The total contract may amount to 2,000 units—Port-of-Spain, Nov. 15.

Sweden

PAPER—Sweden's paper exports during the first seven months of this year were about 40,000 tons greater than during the same period last year. It is expected that the increase for the year will be about 8 to 10 per cent.

Despite the increase there is a noticeable softness in the market. Newsprint and kraft paper are still in good demand but the situation has altered slightly for other kinds—Stockholm, Nov. 14.

Tanganyika

SOYA BEANS—Soya beans have not figured in the Tanganyika Agricultural Department's list of exported crops up to now. But this year Corporation farms at Nachingwea have produced for export 900 tons of the bean, valued at $100 thousand, an indication that the crop could play an important role in the Territory's economy. Early attempts to grow the bean in Tanganyika yielded only about 200 lb. an acre, but perseverance has brought production up to about 850 lb. in the past two years and mechanical harvesting is possible—Salisbury, Nov. 12.

Uganda

RECORDS—The first gramophone records ever to be completely manufactured in East Africa were recently turned out by the Opel Gramophone Record Factory Ltd. in Kampala, capital of Uganda. The company will market its products under the slogan, "Tom-Tom Records—made by Africans for Africans". The owner, who is a grandson of the founder of the German auto factory bearing the family name, visited Kampala last year and was impressed with the possibilities of such an enterprise. The plant, which is capable of producing 50,000 records a month, was built at a cost of $135 thousand—Salisbury, Nov. 12.

United States

FLOORING WASTE—A firm in Crossett, Arkansas, has installed new equipment to convert hardwood flooring mill waste, formerly burned for fuel, into a desirable and useful wood product. The new product is paper roll plugs, which traditionally are made from solid wood. The new plugs are said to be superior to regular ones because of uniformity of size, greater strength, and stability in storage.

The new process works like this: waste is taken from the flooring machines and broken into fine sawdust-size particles. The material is then mixed with glue, forced into moulds under pressure, and "cured" for about 12 minutes under 300-degree temperature. The new installation employs two men each shift—New Orleans, Nov. 19.

APPLES—This year's apple crop in Massachusetts is estimated at 1,471,000 bushels, 50 per cent less than the large 1955 crop of 2,940,000 bushels, and 35 per cent below the 1945-55 ten-year average production of 2,276,000 bushels. This local shortage is expected to create increased demand for apples from other areas, including Eastern and Western Canada—Boston, Nov. 23.

MUSICAL INSTRUMENTS—Sales of musical instruments in the U.S. are currently running at the rate of $380 million a year and manufacturers are optimistic about future prospects. Present estimates indicate that more than 28 million Americans now own musical equipment compared with about 17 million 20 years ago. Banjos, accordians, pianos, bongo drums and records are a few of the instruments for which sales are heading towards new highs. Behind this boom is the fact that there are now more opportunities to indulge in musical pursuits through musical programs in industry, community orchestras and school bands. Television has also spurred interest by focusing attention on individual instruments and how they are played—New York, Nov. 20.

TIMBER—National forests in South Carolina yielded a record 66,406,000 board feet of timber during the fiscal year, which was sold for a record $1,582,494. This year's sales show a healthy increase over last year when 43,736,000 feet of wood were sold at a value of $958,301—New Orleans, Nov. 19.

United States

Foreign Trade Achieves Record

Close study of record exports from and imports into the United States during 1955 and comparison with other years reveal certain interesting trends. These are discussed in some detail and from the Canadian point of view in this article.

R. G. C. SMITH, *Commercial Counsellor, Washington.*

THE YEAR 1955 proved to be a record one for United States foreign trade, surpassing even the glittering achievement of 1953. This improvement was particularly notable towards the end of the year, when foreign trade in general gathered momentum that carried it to new peaks, in spite of continuing difficulties with sales abroad of agricultural products. This momentum has been carried forward into 1956. Total exports reached $15·5 billion in 1955 and $9 billion in the first half of 1956. The former figure was only slightly ahead of 1954 and actually under 1953, but the figures are misleading since they include exports of military goods and supplies (that is to say, goods exported under the Mutual Defence Assistance and Mutual Security programs). If these "military exports" are deducted, remaining exports for 1955 reached $14·1 billion compared with $12·7 billion in 1954.

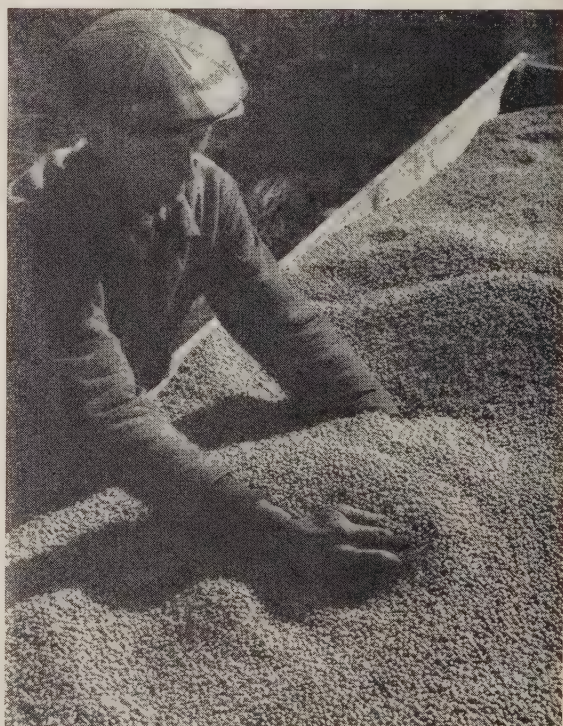
Total imports into the United States in 1955 were valued at $11·4 billion, compared with $10·2 billion in the previous year. For the first six months of 1956, they totalled $6·3 billion.

The 1955 figures, when broken down by main sources of supply and by principal destinations, disclose several significant facts:

- The recovery of Germany and Japan as major factors in world trade.
- The improvement in trade with Europe as United States economic aid has tapered off and import restrictions for balance-of-payments reasons have been relaxed.
- The shift from the postwar sellers' market towards more normal international competition.
- The dominant position of Canada as the principal trading partner of the United States.
- The growth of foreign trade in the U.S. at about the same rate as that of the economy as a whole.

Analyzing Export Pattern

Table I on page 13 gives figures for United States exports during the last few years and shows percentage of the gross national product which they represent.



—USDA Photo

Soybeans continue to be an important agricultural export from the U.S.; Canada buys some $19·5 million worth a year. Here threshed soybeans are moving from the storage bin on the combine to a wagon which has been drawn up nearby.

Table I—United States Exports

	1950-53 average billion $	1950-53 average % of GNP	1953 billion $	1953 % of GNP	1954 billion $	1954 % of GNP	1955 billion $	1955 % of GNP	1956 6 Mos. billion $	1956 6 Mos. % of GNP
Total exports	13·4	3·9	15·7	4·3	15·0	4·2	15·5	4·0	9·0	4·4
Total "non-military" exports*	12·2	3·6	12·1	3·3	12·7	3·5	14·1	3·6	8·3	4·0

The expression "non-military" exports means total exports less goods financed by the Mutual Defence Assistance and Mutual Security Programs. Such goods are not necessarily war equipment but may include such items as wheat or other essential commodities financed under these programs.

Another feature of the more recent pattern of exports is the relatively *constant value* of exports of agricultural products (though the pattern within the main group is not constant), accompanied by a long-range tendency to a *decreasing share* of total exports. In 1955, thanks to an increase in grain exports, (particularly coarse grains), dairy products (mostly relief shipments), and tobacco, the serious drop in raw cotton exports disappeared in the total figure of agricultural exports. Actually, agricultural exports now make up almost the same proportion of total trade as they did during the 1936-40 period, when they accounted for some 20·6 per cent. However, they are well below the 1926-30 average of 36·2 per cent. On the other hand, if the percentage of "non-military" exports is taken, agricultural exports are somewhat above the prewar average, as the following table shows:

	1950-53	1953	1954	1955	1956 6Mos.
Exports of agricultural products (in $ billion)	3·2	2·8	3·1	3·2	1·86
Per cent of total exports	23·8	17·8	20·7	20·8	20·6
Per cent of non-military exports	26·2	23·2	24·4	22·7	22·5

In the non-agricultural field, the variety of exports is very great and trends are less easy to discern. However, exports of manufactured and semi-manufactured (non-food) items accounted for about 76 per cent of total exports in 1955. (This excludes special category* exports; because these categories are nearly all manufactured goods, the percentage of total exports would be even higher if these were taken into account.) This is about the same percentage as 1954 but well above the 1950-53 average and the prewar average, both of which were 72 per cent. (In 1926-30, the average was only 57 per cent.)

The principal export increases in 1955 took place in various types of machinery, principally industrial, (Canada being largely responsible); automobiles and parts (again Canada) chemicals (Far East, Europe and Canada) iron and steel mill products (mostly Europe), and coal (Europe). Declines were not particularly spectacular in any main export, but sales abroad of cotton textiles continued to decrease slightly.

Table II on page 14 gives the export pattern over a number of years of the mainstays of United States export trade. The figures are in current dollars and do not include special category items, which apply only to the years 1950-55.

Where Exports Went

Table III on page 14 shows the main destinations of United States exports; it gives actual export figures and compares them with the percentage of total exports. It has been necessary to use total figures, less special category items for 1953-55, because they are the only figures available for all destinations. Before 1950, the special category exports were not separated out, so that the prewar and 1946-49 figures are totals and the comparisons are therefore not exact. Nevertheless, the table does illustrate the main trends.

Here again the percentage figures give a better appreciation of trends than the absolute values do. The reader will note that, although during the immediate postwar years when Canada imposed import restrictions our share of total U.S. exports remained the same as before the war, during the last three years this share has increased by over 8 per cent. Although Western Europe has still not regained its prewar place as a market for American goods, the gain in 1955 over the 1953-55 average indicates the improved economic health of that area and the progress made in dismantling import restrictions. The comparison with the 1946-49 average is of little significance because in those years exports were stimulated by loans and various aid schemes.

The increase in exports both to Japan and Germany during the past few years promises expanding opportunities for United States trade. Germany has already surpassed its prewar position and although Japan has a long way to go, it has recovered remarkably from its 1946-49 position.

* Special category items include military equipment of all types, a few special types of machine tools, heavy-duty tires and tubes, high-grade aviation fuels, lubricating oils, some radio and electrical apparatus, heavy tractors.

Table II—Exports by Main Commodity Groups

	av. 1926-30	av. 1936-40	av. 1950-53	1953 ($1,000,000)	1954	1955	6 Mos. 1956
Machinery, total	488	494	2,466	2,747	2,595	2,814	1,745
Industrial machinery	214	282	1,375	1,545	1,465	1,625	1,059
Agricultural implements*	109	68	132	138	126	123	71
Tractors	n.a.	n.a.	286	300	278	286	163
Automobiles and parts	406	273	962	963	1,036	1,234	751
Chemicals	137	153	823	800	986	1,075	620
Textiles	189	103	664	640	621	616	314
Cotton textiles	103	61	360	329	317	293	149
Iron and steel mill products	171	270	506	495	516	815	530
Petroleum and products	524	345	504	498	431	440	217
Coal	122	67	435	346	312	495	310
Total	2,037	1,705	6,360	6,489	6,497	7,489	5,930
Per cent of all non-agricultural exports (less special categories)	68%	71%	61%	51%	55%	61%	74%

* Exclusive of tractors.
(The comparison with the prewar periods is, of course, misleading unless a percentage of the total is taken.)

Table III—Destination of Exports

	1936-39 billions $	1936-39 % Total	1946-49 billions $	1946-49 % Total	1953-55 billions $	1953-55 % Total	1955 billions $	1955 % Total	1956 6 Mos. billions $	1956 6 Mos. % Total
Total	3·02	100	12·22	100	12·50	100	13·61	100	7·98	100
Canada	·46	15·3	1·87	15·3	2·99	23·9	3·21	23·5	1·99	25
20 Latin American Republics	·50	16·7	2·95	24·2	3·09	24·7	3·15	23·1	1·78	22·3
Western Europe	1·17	38·6	4·21	34·4	3·46	27·6	4·10	30·2	2·38	30·1
Far East	·57	19·0	1·78	14·6	1·93	15·4	1·99	14·6	1·13	14
United Kingdom	·50	16·6	·82	6·7	·73	5·8	·92	6·8	·39	5·1
Japan	·24	8·0	·24	1·9	·66	5·3	·64	4·7	·37	4·6
Germany/W. Germany	·09	3·1	·47	3·9	·46	3·7	·59	4·3	·35	4·3
Mexico	·06	1·9	·53	4·3	·66	5·3	·70	5·1	·41	5·1

Changes in Import Picture

Although imports increased in 1955 to a record figure, this increase did not take place at a rate faster than the general growth of the economy. At $11·4 billion, they represented a considerable increase over 1954 but they still only measured some 3 per cent of the gross national product, which compares with 3·2 per cent of the GNP for 1950-53 average and with 2·9 per cent for the ten years before the war.

By using the percentage figures, the pattern of imports, when compared with the immediate postwar and prewar positions, also shows some interesting changes as Table IV on page 15 illustrates.

Imports from Canada have risen quickly and have remained at a high level pretty well since the war. At the same time, Latin America has also improved its postwar standing, reflecting the U.S. demand for raw materials and the large increase in its imports of coffee. (The drop in the 1955 Latin American percentage principally reflects a fall in the value of imports of coffee by some $150 million below 1954.)

Western Europe has continued to improve its position. The nearly 7 per cent share of total improvement over the 1946-49 average, although it does not bring Europe back to the prewar percentage, represents a satisfactory showing, particularly since this region now does not include all of Germany. This showing was aided considerably by the greater share of trade taken by the United Kingdom and by Western Germany.

Imports from the Far East, however, have failed to show the same bounce. However, this apparent failure to expand markets in the United States following the war can be explained largely by the fact that there is now no trade with China, and that demand for natural rubber and raw silk has fallen off. In 1938, for example, purchases from China and purchases of silk and rubber from the Far East represented over 11½ per cent of total imports into the United States. In 1955 they were about one-half of one per cent.

Purchases from Brazil and Colombia (coffee) and from Venezuela (oil), have been largely responsible for the increase in imports from Latin America. In 1938, for

Imports Into the United States

TABLE IV—SOURCES

	1936-39 billions $	1936-39 % Total	1946-49 billions $	1946-49 % Total	1953-55 billions $	1953-55 % Total	1955 billions $	1955 % Total	1956 6 Mos. billions $	1956 6 Mos. % Total
Total	2·45	100	6·11	100	10·82	100	11·38	100	6·33	100
anada	·34	14·1	1·29	21·2	2·50	23·1	2·65	23·3	1·38	22
) Latin American Republics	·54	21·9	2·15	35·2	3·35	30·9	3·33	29·3	1·91	30
'estern Europe	·61	24·9	·87	14·2	2·24	20·7	2·39	21·0	1·4	22
ar East	·74	30·4	1·15	18·9	1·61	14·9	1·77	15·6	·98	15
nited Kingdom	·17	6·8	·22	3·6	·56	5·2	·62	5·5	·34	5·3
ıpan	·17	6·8	·06	1·1	·32	3·0	·43	3·8	·26	4·1
ermany/W. Germany	·05	2·2	·02	·4	·31	2·9	·37	3·3	·22	3·4
fexico	·06	2·2	·24	4·0	·36	3·3	·40	3·5	·22	3·4

TABLE V—COMMODITY GROUPS

	1950-53 billion $	1950-53 % total imports	1953 billion $	1953 %	1954 billion $	1954 %	1955 billion $	1955 %	1956 6 Mos. billion $	1956 6 Mos. %
otal imports	10·3	100	10·8	100	10·2	100	11·4	100	6·2	100
gricultural	4·5	44	4·2	39	3·97	39	3·98	35	2·14	34
on-agricultural	5·8	56	6·6	61	6·30	62	7·40	65	4·09	66
rude materials	2·8	27	2·6	24	2·4	24	2·8	25	1·5	24
rude food products	2·0	19	2·2	20	2·2	22	2·0	18	1·1	17
emi-manufactures	2·5	24	2·7	25	2·3	23	2·8	25	1·5	24
lanufactured foods	1·0	10	1·1	10	1·1	11	1·1	10	·6	10
inished manufactures	1·9	18	2·2	20	2·2	22	2·6	23	1·5	24

xample, imports from these three countries only made p some 8½ per cent of the total; in 1955 they were esponsible for over 14½ per cent.

ypes of Imports

he division of imports by main commodity categories hows a surprisingly steady relationship between products for industry and products for the consumer. owever, this generalization hides very considerable hifts within each commodity group. For example, in ase metals, iron ore, and petroleum products, the U.S. conomy is clearly becoming increasingly dependent on nports.

he 1955 performance confirmed the long-term endency towards a decrease in the proportion of gricultural imports to total imports. Otherwise the nain groupings by use—that is, raw materials versus inished products—showed no significant change. nports of raw food products did show a 4 per cent of total imports) decline, but this was largely the esult of the fall in the prices of coffee and cocoa, ather than any significant change in the make-up of nports.

n many respects these broad groupings are too eneral to provide any significant information on trends nless they are considered in the long term. It is of ome interest, however, to note that if the longer erm is considered, imports of fully manufactured oods and manufactured food products together have hown no real trend over the last thirty years. The share of these categories in total imports for the period since 1950 has been between 28-33 per cent (as shown in the table). For the immediate postwar period (1946-50) the share was 29 per cent, for 1936-40 it was 33 per cent, and for 1926-30 it was 32 per cent. However, there does appear to be a definite trend towards an increasing proportion of non-agricultural commodities among imports. Before the war agricultural commodities took up about 50 per cent of the total, whereas, as the table shows, this share has been steadily decreasing postwar. In the immediate postwar year agricultural imports took an average of 45·5 per cent of the total.

Trading Balances

The fact that the United States has favourable balances of trade with nearly all regions and countries, with the exception of Latin America, is not a new development. Even before the war the U.S. had a small adverse balance of about $33 million a year, on the average, with Latin America, or 3·2 per cent of total trade with that area. In the last three years, however, the figure in favour of Latin America has become so small that it would be more accurate to say that U.S. trade with that region is now in balance. (The total export figures, including special category exports, are available for Latin America, Canada, and Western Europe, and these have been used in discussing the balances of trade.)

In trade with Canada, the balance in favour of the United States has always been large. It has in fact

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grown larger in recent years, in keeping with the high level of Canadian development and the investment of United States capital there. For example, the average adverse balance for the prewar period was some $117 million, which was 14½ per cent of total United States/Canadian trade. In the postwar period this rose to an average of $575 million or nearly 18½ per cent. Although it rose to $667 million on the average in the 1953-55 period and $749 million in 1955, the relative percentages were only 11·6 and 12·4 respectively.

In the case of Western Europe, a heavy trade balance in favour of the United States is not a new symptom. During the prewar period it averaged $558 million, or over 31 per cent of the total United States/European trade. In the immediate postwar period —when trade was inevitably much more one-sided— it increased to $3,338 million average, or over 68 per cent of the total trade. However, during 1953-55 the average dropped to $3,067 million, or 40·7 per cent, and in 1955 to $2,714 million or 36·3 per cent.

In its trade with the Far East the United States generally has an adverse balance. However, this balance declined from the average of $629 million (21 per cent) during the immediate postwar years to $320 million average in 1953-55 (9 per cent) and to only $220 million (5·9 per cent) in 1955.●

This article forms part of a more detailed study by Mr. Smith on United States exports and imports. Readers who would like a copy of this study should write to R. G. C. Smith, Commercial Counsellor, Canadian Embassy, Washington.

fairs and exhibitions

Chicagoland and Canadians

Chicagoland, as the Chicago metropolitan area is known, has just completed a decade of great economic growth. Now, to focus international attention on the area as a centre of American industry, agriculture and population, the Chicago Association of Commerce and Industry is staging the first annual Chicagoland Fair. It will be held in 1957 from June 28-July 14 on the Navy Pier.

The fair is planned to reveal the value and importance of Chicago and the Midwest as an industrial and marketing area for both national and international trade. One of the six principal themes in the mile-long show is "Chicagoland of World Trade", and an area of 43,000 square feet in which foreign governments are invited to exhibit has been devoted to this aspect. The Department of Trade and Commerce is reserving 1,000 square feet for a Canadian exhibit which will emphasize our industrial and trade relations with the Midwest. The Chicago Association of Commerce and Industry has also reserved an adjoining space of 4,000 square feet in the expectation that other Canadian organizations or firms may wish to participate on their own responsibility. The Province of Manitoba has taken about 1,000 square feet to publicize its industrial advantages, and it is probable that other provinces will enter the fair.

The Chicagoland Fair should be particularly attractive to Canadian businessmen because Chicago and the Midwest is an important area for branch plants and also sends many tourists to Canada. In addition, Chicagoland is becoming an increasingly important market for Canadian primary and secondary manufactures. For this reason, a number of Canadian firms are taking space. Inside space at the fair costs $2.75 per square foot; corners and other preferred locations are $3.00 per square foot. A minimum of 100 square feet must be reserved.

Full details of the fair can be obtained by writing to the Canadian Consulate General, 1412 Garland Building, 111 North Wabash, Chicago 2, or to the Department of Trade and Commerce, Ottawa.

—G. A. NEWMAN,
Deputy Consul General (Commercial), Chicago

Part of the display of Canadian foods which was featured at the Canadian Showroom in Rockefeller Centre during November. Some 22 companies contributed to this exhibit.

Argentine Showcase in New York

TO PROMOTE the sale of Argentine products in the United States, private interests are opening an Argentine House in New York. Argentine House will provide a permanent exhibition of the country's export products, such as wine, fruit, canned vegetables, oils, dairy products, textiles, footwear and other leather goods.

Texas Spotlights Sports

CANADIAN MANUFACTURERS of boats and sports equipment who are interested in southern United States markets might consider exhibiting at the Houston Boat, Sports and Travel Show. Sponsored by the Variety Club of Houston, the show will be held from April 6-14, 1957, in the Sam Houston Coliseum, Houston, Texas. For information and space reservations contact: Martin P. Kelly, Managing Director, United Sports & Vacation Shows, First National Bank Building, St. Paul 1, Minn., or Bill Brown, Manager, Houston Boat, Sports and Travel Show, 329 Waverly Drive, Corpus Christi, Texas.

The many types of sports equipment displayed in this show include aircraft, archery supplies, autos and mobile homes, bathing suits and beach equipment, boats, outboard motors and boat trailers, cameras and equipment as well as sections for furniture and interior decoration, arts and crafts, wearing apparel, textiles, supplies, camping equipment, fishing tackle, golf equipment, guns and ammunition, marine accessories, outdoor sports clothes, portable radios, saddles and riding equipment, travel luggage, and water skis and skin-diving equipment.

The travel part of the show includes promotion displays by boys' and girls' summer camps, dude and guest ranches, hunting and fishing camps, recreational real estate promoters, resorts, lodges and hotels, travel bureaus and vacation tours, and vacation transportation services.

This year again the show will present stage and tank entertainment.

Two for Stationery—One with Books

THE THIRD ANNUAL STATIONERY FAIR, organized by the Stationers' Association of Great Britain and Ireland, will be held in Brighton from February 4-8, 1957. The fair will be housed in the Hotel Metropole and the Grand Hotel which are across the street from one another and provide accommodation for 150-200 exhibitors. The 1957 show will have open stands on the ground floor of the Hotel Metropole as well as the usual stockrooms. Buyers came to the last fair from many European countries and from South Africa, New Zealand and the United States. For information, write to the General Secretary, The Stationers' Association of Great Britain and Ireland, 6 Wimpole Street, London, W. 1.

THE NATIONAL STATIONERY AND BOOK TRADES FAIR OF 1957 will open in the Old and New Royal Horticultural Halls, Westminster, on February 11, 1957, for five days. Buyers' tickets are available on application to the Exhibition Manager, National Newsagent (Exhibitions) Ltd., 149 Fleet Street, London, E.C. 4. These tickets enable a buyer to visit the Fair on any day; if a second or third visit is necessary, season tickets can be obtained at the fair. At this year's fair over 6,000 overseas, wholesale and retail buyers visited the exhibits of stationery products, greeting cards, postcards, books, shop fittings, typewriters, and pens and pencils. The general public is not admitted to this show.

Arts and Crafts in Munich

AN EXCELLENT OPPORTUNITY for craftsmen and small industries from all countries, the 9th German Handicraft and Trade Fair will open in Munich on May 15, 1957, and run for ten days. There will be a technical section for machines, tools, and workshop equipment as well as sections for furniture and interior decoration, arts and crafts, wearing apparel, textiles

Trade Shows in the United States

Name of Show	Date 1957	Place	Canadian Exhibitors Accepted	Permanent Secretary or Show Manager
Mid-Atlantic Shoe Show (annual)	Jan. 12-16	Ben Franklin Hotel, Philadelphia, Pa.		Cal J. Mensch, Secretary, 2 Kendall Avenue, Pittsburgh 2, Pa.
New York Curtain and Drapery Show-National Domestic and Linen Show (semi-annual)	Jan. 12-17	New York Trade Show Building, New York City	Yes	Mrs. H. M. Waters, Managing Director, Lansdale, Pa.
National Motor Boat Show (annual)	Jan. 19-27	Coliseum, New York City	Yes	Joseph E. Choate, Secretary, 420 Lexington Avenue, New York City, N.Y.
National Association of Home Builders (annual)	Jan. 20-24	Coliseum, Conrad Hilton and Sherman Hotels, Chicago	Yes (sold out)	Paul S. Van Auken, Convention and Exposition Manager, 111 West Jackson Blvd., Chicago 4, Ill.
National Association of Variety Stores (5¢-$5) Merchandise Show (five shows a year)	Jan. 20-22 Feb. 3-6 Feb. 24-26	Minneapolis Chicago Cincinnati	Yes	Marvin E. Smith, Secretary-Treasurer, 10-147 Merchandise Mart, Chicago, Ill.
Chicago National Boat Show (annual)	Feb. 8-17	Chicago International Amphitheatre, Chicago	Yes	Guy W. Hughes, Executive Director, 307 N. Michigan Ave., Chicago 1, Ill.
Wholesale Stationers Association of the U.S. (annual)	March 4-7	Drake Hotel, Chicago		H. C. Whittemdre, General Manager, 250 Fifth Ave., New York 1, N.Y.
American Toy Fair (annual)	March 6-15	Hotel New Yorker, Sheraton-McAlpine, New York City		H. D. Clarke, Secretary, 200 Fifth Ave., New York, N.Y.
National American Wholesale Grocers' Association (annual)	March 17-20	Sherman Hotel, Chicago	Yes	Ralph B. Johnson, Vice-President, 60 Hudson St., New York 13, N.Y.
Super Market Institute Convention (annual)	April 7-10	Cleveland Public Auditorium, Cleveland	Yes (waiting list)	Don Parsons, Executive Director, 500 N. Dearborn St., Chicago, Ill.
National Restaurant Convention and Exposition (annual)	May 6-10	Navy Pier, Chicago	Yes	Ralph G. Peterson, Exposition Director, 8 S. Michigan Ave., Chicago 3, Ill.
National Luggage and Leather Goods Show (annual)	July 28-Aug. 1	New York Trade Show Building, New York City		Jack Citronbaum, Executive Vice-President, 220 Fifth Ave., New York 1, N.Y.

and fashion articles. This year 2,250 exhibitors from 27 countries took part and many good business contacts were made by participating countries. Applications to date for the 1957 show indicate that it will be even bigger.

A special added show (inaugurated in 1954), the International Sample Show of Arts and Crafts and Industrial Design, will adjoin the foreign section of the general fair. Prepared by collective groups from different countries (individual exhibitors may show within these groups), this special show is designed to give a cross-section of European and overseas craftsmanship and national art. The space is given to the exhibitors free of charge and will again be arranged on modern lines by the fair's architect.

For information about the 9th German Handicraft and Trade Fair, write to: Deutche Handwerksmesse, Theresienhoehe 14, Munich 12.

—M. B. BLACKWOOD,
Assistant Commercial Secretary, Bonn.

Spain Sends a Shipboard Show

LAST AUGUST, 464 years after Christopher Columbus set out on his historic sail to the New World, Spain launched another voyage of discovery to America. But this time, as the Spanish Director of Foreign Markets put it, the purpose was to have America discover Spain and what Spain has to offer. The ship entrusted with this mission was the 15,000-ton *Ciudad de Toledo,* newly-built for the Compana Transmediterranea and cleverly adapted as a floating trade fair. Her three decks carry a range of Spanish export products, from heavy machinery to precious jewellery.

The *Ciudad de Toledo,* under the command of Captain Francisco Lleal Bacas, has now completed some three-quarters of her itinerary and expects to be home in time for Christmas. Sailing from Bilbao, she visited Lisbon, Tangier, Casablanca, and the Canary Islands before beginning the Atlantic crossing. Her first port of call in South America was Rio de Janeiro. She then proceeded to Santos, Montevideo, Buenos Aires, and Bahia (southernmost port on the trip). After the long non-stop haul to Recife (Pernambuco), the show-boat sailed north, bearing west, to La Guaira, Baranquilla, Cartagena, Colon (only call in Central America), Vera Cruz (first call in North America), and Tampico. The ship made her only stop in the United States at New Orleans on November 9th; from there her itinerary took her south to Havana, around Cuba to Santiago, Ciudad Trujillo and San Juan, and then to Barcelona and the end of the voyage.

Visitors who boarded the *Toledo* at every stop found the Spanish goods displayed in 14 exhibition halls, two new outer decks and a terrace. On A-Deck they could see home appliances, a hunting pavilion, toys, industrial accessories, an electronic organ, handicrafts, and in an art gallery, examples of Spanish bookprinting, ceramics and porcelain. Two special attractions on the deck were Chicote's Tavern and the Valenti monstrance. Pedro Chicote, known to his friends as Perico, is Spain's most famous bartender and owner of probably the world's most complete wine museum. He stocked a typical Spanish tavern on board the *Ciudad de Toledo* with 40,000 bottles of Spanish wines and three tons of selected Spanish appetizers. The wines and delicacies are being sold at cost.

The giant silver monstrance includes 3,000 separate pieces and weighs over 750 pounds. The monstrance is a work of love which the Valenti family may never sell. It was begun in 1907 by Augustin Valenti Colom, a Spanish silversmith, and the work was continued after his death in 1950 by his son Augustin Valenti Jr. Details of the monstrance are yet to be completed.

Also on A-Deck is the Spanish patio with a fountain bubbling wine and a facsimile of the famous Guisando bulls. Twelve little shops in the patio display garden furniture and decorations, and foodstuffs, wines and liquors for sampling.

The transportation section of the show is on B-Deck and includes a Pegaso sportscar and five-ton truck, delivery tricycles, bicycles, small cycle engines, tires and other automotive accessories. Also on this deck are the textiles, leather goods and skins.

The "Ciudad de Toledo", gaily decked with flags, sails from Bilbao for Latin American ports, carrying exhibits designed to show Spanish production and craftsmanship to prospective customers. The ship will return to Spain before Christmas.

C-Deck carries the heavy machines and machine tools, the displays by the aircraft and defence industries, and a miscellaneous group including industrial ceramics, rubber goods, plastic products, cork and wood products, chemicals, perfumes, minerals and metals, vegetable fibres, etc.

The work of converting the ship to a floating trade fair began last January. Her exterior is painted in red and green with a white superstructure and hung with flags and pennants. Construction over the hatchways that house the stairs to the exhibit halls has improved her silhouette. The stairs, considered an engineering feat, are of steel decorated with fine woods and coloured plastics. To connect the forward and aft exhibition halls, bulkheads were cut through and special steel watertight doors installed. A fire protection system was installed and methods devised for holding the exhibits securely in rough seas. The *Ciudad de Toledo* is completely air-conditioned and entrances and exits are protected by a curtain of conditioned air. ●

Markets in Asia fo

Canadian manufacturers of primary plastics are today finding a $2 million a year market in Asia. This market should increase with the growth of industry in these countries, where development plans favour plastics production and mean greater demand for imported plastic raw materials. The following reports cover ten countries in Asia and outline present plastics production, materials in current demand, and future prospects. For the first instalment in this series, see our issue of November 10th which covered markets in South America.

INDIA—*Opportunities for Canadian suppliers of plastic raw materials limited. Import licensing restricts dollar purchases; lack of purchasing power curtails output, raises costs, and hampers expansion of plastics industry.*

THE PROGRESS OF THE PLASTICS INDUSTRY in India since it started ten years ago has been excellent, if one considers how difficult it is to establish profitable enterprises here in the consumer goods field. In 1948 there were 40 plants producing plastic goods and there are now more than 100 medium and large factories; many more operate on a cottage industry basis. Investment in the industry totals about Rs. 80 million and the Government encourages it because plastics production creates a market for the chemicals industry. During 1955, 2,516,400 gross of moulded items were produced, compared with 1,302,000 gross during 1954. This indicates how quickly the plastics industry recovered from the depression which resulted from a shortage of raw materials following the Korean War.

The Indian Government has estimated the present annual raw material requirements of the industry as follows:

Phenol formaldehyde moulding powder (electrical grade)	500 tons
Urea formaldehyde moulding powder	600 "
Polystyrene	3,500 "
Polyethylene	1,500 "
PVC resin compounds	1,600 "
Cellulose acetate/acetate butyrate (moulding powder and sheets)	800 "
Cellulose nitrate (sheets, rods and tubes)	300 "
Acrylics (moulding powder and sheets)	300 "
Nylon—monofils and powder yarn	3,000 "
Styrene butadiene copolymer latex (GRS rubber)	20,000 "

To Manufacture Materials

With the exception of general grade phenol formaldehyde moulding powder, which is manufactured in India, all raw materials for the industry are imported. However, the Indian Government is planning to make at least some plastic raw materials during the Second Five-Year Plan but using mainly imported chemicals. This is the second stage in a well-defined plan for the development of the plastics industry. The third stage is to manufacture the basic chemicals needed to produce plastic raw materials.

A plant that will manufacture polystyrene is at present under construction in Bombay by Polychem Limited, in collaboration with the Dow Chemical Company; it will have a capacity of six million pounds. Imperial Chemical Industries (India) Private Limited will set up a factory soon to make 5,500 tons of polyethylene a year. The National Carbon Company (Indian) Limited plans to produce polyethylene, and Rattanchand Harjasrai (Plastics) Private Limited will manufacture urea formaldehyde moulding powder in collaboration with a well-known British firm. A new company, East Anglia Plastics (India) Limited, has registered recently and plans to manufacture cellulose acetate flakes and PVC resins. If all of these projects

lastic Raw Materials

materialize, the industry will achieve an annual installed capacity for moulding powders of 11,400 tons by 1960-61, as against 1,180 tons in 1955-56.

The production of phenolic laminates and polythene film and layflat tubing began in 1952, and of PVC unsupported sheets in 1954. These sheets are now manufactured in thicknesses from 0·008 inches to 0·02 inches, transparent and opaque, plain, and with many types of finishes. Polyethylene film and layflat tubing are becoming very popular, and production is rising rapidly.

Small Demand Restricts Industry

In common with most consumer industries in India, the plastics industry is handicapped by the generally low standard of living of the people; the slow pace of consumer purchasing seriously restricts production. For example, the present annual capacity, on a single shift basis, of the phenol formaldehyde moulding powder plants is 1,135 tons. Production has risen, however, from only 382 tons in 1953 to 472 tons in 1954 and 728 tons last year. Imports of phenol formaldehyde during the same years were 116, 207, and 204 tons. The ex-works price of a pound of this moulding powder produced in India is about Rs.1-1-0 (about 21 cents) while the landed cost, without duty, of a comparable product from Germany is annas 12-11 (about 15 cents). The Tariff Commission recently recommended the extension of protection to the producers of phenol formaldehyde moulding powder for a period of three years ending December 31, 1959. The duty applied to this material is 31·5 per cent ad valorem; only manufacturers of plastic goods are granted import licences. The duties levied on the three main chemical raw materials used in the manufacture of phenol formaldehyde moulding powder are refundable to those plants with a minimum annual capacity of 200 tons.

U.K. Is Main Supplier

The United Kingdom is by far the largest supplier of plastic raw materials, with Western Germany a poor second. The market prospects here for Canadian exporters of plastics for further processing are not promising because the restrictive import licensing policy directly affects Canadian sales. The Government is allowing imports from the dollar area of small quantities of polyvinyl acetate resin, polyvinyl butyral resin, PVC compounds including moulding powder, polyethylene moulding powder, and polyvinyl chloride resin powders. The present import regulations apply to the current half-year but appear to be temporary only. Import duties on powders and other materials for production of finished plastic goods vary from 31½ per cent to 50 per cent ad valorem.

The products of the Indian plastics industry are exported to several overseas countries, including Burma, Ceylon, the Middle East, and the Far East. The Government encourages these sales by granting special import licences to exporters to replace the raw material content of exported goods. This procedure allows a "drawback" of customs duty on four moulding powders: polystyrene, cellulose acetate, cellulose acetate butyrate, and urea formaldehyde moulding powders. Manufacturers are able to reduce the price of their products and compete quite successfully in foreign markets.

—Wm. JONES,
Commercial Secretary, New Delhi.

PAKISTAN

PAKISTAN'S RATHER SMALL PLASTICS INDUSTRY is confined to the Karachi area and consists mainly of injection moulding. The Government recently cut tariffs on moulding powders and compression moulding now is increasing. One firm manufactures leather cloth, PVC coated, at a rate of 2,000 yards a day and some acrylic sheeting is produced in the country.

The yearly amounts of raw materials that the industry requires are estimated as follows: 150-200 tons of phenol formaldehyde moulding powders, 600 tons of polystyrene, 70 tons of methyl methacrylate sheeting,

50 tons of cellulose acetate, 20 tons of polythene. The only primary plastic produced in Pakistan is phenol formaldehyde. The plant responsible produces about 100 pounds a day of this material for its own electrical accessories section. This firm plans to expand output fivefold.

United Kingdom suppliers have captured the biggest share of the plastics market in Pakistan in keen competition with Germany, Czechoslovakia, and Italy, because there is no tariff preference for British materials. ●

CEYLON—*This small market for primary plastics is unlikely to expand very much in the near future. Imports totalled 216·5 tons in 1955 valued at $272 thousand, and included polystyrene and phenol formaldehyde moulding powders, and films and sheets of polyethylene, polymethylmethacrylate, and PVC.*

CEYLON IS NOT HIGHLY INDUSTRIALIZED and except for her three main agricultural industries —tea, rubber and coconut processing—most manufacturing is still in its infancy. Hence it is unlikely that Ceylon's requirements for industrial raw materials from abroad will be important until present plans to industrialize the country are implemented. The pressure to establish new industries, however, is building up, with the possibility of the market for raw materials increasing before most people expect it. It is estimated that Ceylon's plastics business currently amounts to about Rs.2 million ($412,317) a year.

Primary Plastics Imported

Primary plastics used by the producers of plastic goods include polyvinylchloride, polystyrene, phenol formaldehyde, polymethylmethacrylate and polyethylene. None of the monomers of these plastic materials are made locally. They are all imported either as the fully polymerized thermoplastic polymer (acrylic sheet, polystyrene moulding powder, PVC sheet or polyethylene film) or as the semi-polymerized thermosetting resin moulding powder (phenol formaldehyde resin).

Polyvinylchloride—is imported as tubes, films and sheeting. As fabrication consists chiefly of cutting and stitching the sheets, this industry should develop quickly to meet local requirements.

Polystyrene—is used for injection moulding of utility articles like trays, dishes, combs, and simple toys.

Phenol formaldehyde—is used for press moulding of opaque articles like ashtrays, but the industry has not yet undertaken to make electrical fittings.

Polymethylmethacrylate—is limited to making signboards, key tags and similar flat objects by cutting directly from the sheets.

Polyethylene—is imported as film for moisture-proof, heat-sealed packaging of curry powders and other foodstuffs.

Market Unlikely to Expand Rapidly

In 1955 plastic raw materials imported into Ceylon, chiefly from the United Kingdom, totalled a little over 40 tons valued at Rs.114,585 (approximately $23,625). Fabricated primary forms of plastic, like sheeting, come mainly from the United Kingdom, Germany, France and Japan. Imports under this heading for 1955 totalled 176·5 tons valued at Rs.1,207,345 (about $248,937). In addition, Ceylon purchased a further $61,860 worth of plastic utility articles.

Differential tariff duties are levied which distinguish between imported primary forms (5 per cent to 20 per cent ad valorem) and finished products (up to 75 per cent ad valorem); the latter duty protects the local industry.

Obviously there is scope for expansion but the local industry is small with high plant overhead, because factories are frequently designed for output far in excess of present market demands. At the moment, substantial expansion of the plastics industry is unlikely. Possible new lines of goods include spectacle frames, electrical fittings, and radio and accumulator cases.

A recent development is the use of urea formaldehyde glue for bonding veneers in the local plywood industry. About eight tons of this glue now is used each month and this amount likely will increase when the factory is reorganized to expand output to its maximum. It is possible that this type of bonding agent may be used to make synthetic boards employing local supplies of sawdust, coirdust, and fibre. Experiments are being conducted to test the economics of providing this product.

Unless the plastic industry in Ceylon expands considerably, exporters of plastic raw materials, other than those mentioned above, cannot include the Island among their promising markets.

—J. J. HURLEY,
High Commissioner for Canada, Colombo.

HONG KONG—*Colony's plastics moulding industry expanding rapidly; raw materials are imported and enter duty-free. Industry's exports favoured by Commonwealth preference, proximity to growing Asian plastics market. Hong Kong was Canada's best export market for polystyrene last year.*

RAPID EXPANSION OF THE PLASTICS INDUSTRY in Hong Kong in recent years makes it now one of the Colony's major branches of manufacturing. There are over 300 plants in operation, all privately owned. They range in size from fairly large companies employing several hundred workers to small injection moulding plants using from one to five operating machines and employing from two to ten workers. Most finished plastic articles are exported, chiefly to the United Kingdom. Large quantities also go to other Commonwealth markets, to adjacent South East Asian markets, and to the United States.

Import Raw Materials

Because there is no local production of plastic raw materials, Hong Kong is a substantial importer. It is a free port and all plastic materials used in injection, compression and extrusion moulding are free of import duties, no matter what country they come from. There is no direct preference for plastic raw materials imported from Commonwealth sources. However, the bulk of the industry's output is exported to Commonwealth markets; exporters enjoy preferential rates of duty in these markets, provided that their goods have sufficient Commonwealth content. There is in fact a considerable advantage to the industry if it obtains raw materials from the United Kingdom, Canada and other Commonwealth sources. For example, in the case of the United Kingdom, imports of all plastic articles from Hong Kong are free of duty when suppliers can show a Commonwealth content of not less than 50 per cent of the finished goods. This indirect preference explains to a large extent the extremely high percentage of Commonwealth-produced raw materials imported by the Hong Kong industry.

HONG KONG IMPORTS OF PLASTIC RAW MATERIALS*

(in pounds)

	full year 1955	*1st half year 1956*
Vinyl resins, including polyvinyl chloride and polyvinyl acetate....	558,155	289,950
Acrylic resins	445,448	338,191
Polystyrene and polydichlorostyrene	7,029,471	4,890,571
Cellulose acetate and acetate butyrate	248,976	129,368
Formaldehyde resins, including phenol, urea and melamine	1,585,802	1,287,244

* Because of space limitations, we are unable to give import figures by countries of origin but anyone interested may obtain them by writing to the Chemicals Division, Department of Trade and Commerce, Ottawa, Canada.

Figures for the main plastic raw materials imported into Hong Kong during 1955 and the first half of 1956 are summarized below.

Sales Possibilities

Polystyrene injection moulding compound is imported in greater volume than any other plastic raw material; Canada is by far the largest supplier and Hong Kong is Canada's largest market. In 1955, out of total polystyrene exports from Canada amounting to $7 million, Hong Kong took more than $1½ million worth. Total imports of polystyrene into Hong Kong in 1955 reached 7,029,471 pounds. During the first six months of 1956, imports increased about 25 per cent over the first half of 1955. These imports should continue to expand with the development of the industry.

Polyethylene injection moulding compounds are comparatively new to Hong Kong, but this plastic material is proving extremely popular and imports are increasing rapidly. The main sources of supply are the United Kingdom and the United States, with the United Kingdom securing about 90 per cent of the business. Imports of this material are expected to increase rapidly over the next year or two.

Acrylic resins are imported mainly in sheet form and used for the manufacture of mahjong tiles and umbrella handles. The principal source of supply for this material is the United Kingdom. These materials are not produced in Canada at present.

Polyvinyl chloride resin is compounded in Hong Kong and consumption of the resin from Japan has increased considerably during the past few months. The colony also buys substantial quantities of the compound, sheeting, and film. The United Kingdom has been the main supplier of these materials in the past; Canada and West Germany share second place. At present, however, imports from Japan and Canada are increasing and those from the United Kingdom declining to some extent. Consumption of polyvinyl resins and compounds should continue to increase and the market to expand considerably over the next few years. Canada can maintain her position as a major source for the material only by making quick deliveries and meeting the formidable competition that Japan offers both in price and in the wide range of colours and designs.

Cellulose acetate is imported in the form of moulding compound and sheets. The United Kingdom is the main supplier, accounting for about 90 per cent of the market demand for moulding compound and sheets. Smaller quantities are imported from Germany, Belgium and Japan.

Formaldehyde resins, including phenol formaldehyde, urea formaldehyde and melamine formaldehyde compression moulding compounds, find wide application in Hong Kong. The Colony could easily manufacture its own phenol formaldehyde moulding compound but the total demand is not large enough and imports too are small. Three factories do produce cast phenolic resins by combining phenol and formaldehyde; the total consumption of phenol for these purposes approximates ten tons a month. The manufacture of mahjong tiles accounts almost completely for all the cast phenolic resin produced. The United Kingdom supplies about 75 per cent of the requirements for phenol formaldehyde moulding compounds; smaller quantities come from Germany, the Netherlands, and Belgium. The consumption of urea formaldehyde resins for adhesives is less important; plywood manufacturing facilities in the Colony are practically non-existent.

Imports Will Increase

Styrene monomer to be used as a base for the manufacture of polystyrene is not imported at present and is unlikely to be in the forseeable future. Styrene paints are now produced in Hong Kong and the styrene resin comes mainly from the United States. Most producers of paint use alkyd resins extensively and the market for these is expanding rapidly. Polyester resins, although new to the market, offer some prospects for the future.

With the exception of polyvinyl sheeting and films, imports of plastics in the form of consumer goods are negligible. There is little chance that this situation will change. The rapid and continuing expansion of the industry is attributed to several factors: the Colony's ideal location for obtaining supplies of cheap raw materials, the advantages of the Imperial Preference in its principal markets, proximity to Asian markets which are taking increasing quantities of plastic goods, and an abundance of good and comparatively cheap labour. Prospects are for continued growth of the industry and a consequent increase in the volume of imports of raw materials.

—C. M. FORSYTH-SMITH,
Trade Commissioner, Hong Kong.

INDO-CHINA—*Demand for plastic goods is rising and interest in the plastics industry growing. France, Germany and Italy supply most raw materials at present, but Canadian producers should investigate this expanding market.*

GOVERNMENT AID to a plastics firm in South Vietnam has strengthened the industry here after a slow start. Aid to the Vietnamese company under the country's industrial development plan has enabled it to surpass the output of a French firm, the other chief producer. In addition, there are numerous small producers with little capital investment who do not use much material.

In the past year a total of $2½ million of ICA funds was allotted for import of plastic materials; this amount will be increased—or at least maintained—for future purchases. Canadian producers of plastic materials should note the rising demand for plastic goods here, the growing interest in the plastics industry, and the attention government officials are paying to it.

The government-supported firm is producing a variety of goods, from toothbrush handles to electric sockets. It combines a small variety of toiletries with the plastic goods—toothpaste is the leading one at the moment. The firm is showing great initiative and good management, with a plant addition under way. The plant fabricates raw materials at a rate of approximately 20 tons a month. Typical purchases are block orders for 30 tons of phenol formaldehyde (now secured from France and Denmark); 30 tons of urea formaldehyde (from Switzerland); 20 tons of melamine (from France); 20 tons of polystyrene (from Germany and Italy); 10 tons of polyethylene (from Germany and Italy); 20 tons of vinyl compounds (from Italy); and 20 tons of PVC resin (also from Italy).

The French company specializes in fabric coatings and hose; it combines this with dealing in toiletries, such as a popular shampoo in plastic vials. No details of the raw material requirements of this company are available but it is a long-established firm with considerable experience and potential; it is certain to be a relatively large consumer of raw materials.

The two large firms report that at present they buy no raw materials from the United States or Canada. In our case no Canadian supplier has ever approached them and, in the past, they did not realize that Canada sold these materials. Canadian producers of primary plastics should investigate this growing market and they might even find it worthwhile to visit Vietnam for this purpose. There appears to be no plastics industry in either Cambodia or Laos so far.

—P. STUCHEN, *Hong Kong.*

TAIWAN—*Canada's share of this market negligible at present but merits closer attention. Industry's main requirements are for polystyrene and polyethylene, with small market for PVC resin and compound, phenolic and urea moulding powders.*

THE STEADY GROWTH of plastics manufacturing in Taiwan has continued in recent years until the industry now consists of about 100 factories producing secondary plastic goods. About 50 firms are working only on polystyrene, about 40 on both polystyrene and polyethylene, and most of the rest on PVC extrusion.

The relatively small population has limited growth and the industry faces stiff competition in adjacent export markets from such large suppliers as Japan and Hong Kong. Restrictions on imports of raw materials because of import licensing requirements has also hampered expansion. The foreign exchange allocation for all plastic raw materials during the current year is approximately US$720 thousand, with the largest share used to buy polystyrene.

No Raw Materials Produced

No plastic raw materials are produced in Taiwan, although one company, the Formosa Plastics Co. Ltd., which is financed by U.S. aid funds, plans to produce PVC resin at some future date. Polyethylene, polystyrene, PVC resin and compound, phenolic moulding powder, and urea moulding powder are all used by the industry to turn out toys, cups, handbags, bottles, films, pipes and tubes, and fabric coatings. Most manufacturers import compounded material ready for fabrication and only two of the larger manufacturers import PVC resin and compound it themselves. Imports of film, sheet and all plastic consumer goods are prohibited. The principal sources of PVC resin are Japan, the United Kingdom and the United States; polystyrene and polyethylene are imported from the United Kingdom and the United States; phenolic moulding compound is imported from Japan, the United Kingdom and the United States.

There are no special regulations or duties affecting Canadian plastic raw materials shipped to Taiwan. Imports of raw materials from any source are subject to a duty of 35 per cent and any finished plastic items allowed in are dutiable at 50 per cent ad valorem. Canada's share of the market is, however, extremely limited and consists of small quantities of polystyrene. But this market merits closer investigation by Canadian suppliers because the demand for plastic raw materials should grow steadily.

—C. M. FORSYTH-SMITH,
Trade Commissioner, Hong Kong.

SINGAPORE and MALAYA

—No dollar restrictions on primary plastics or plastic fabrics for local manufacturing but sales prospects limited. United Kingdom dominates small market for moulding compounds, film and sheets. Local industries must compete with finished goods from Hong Kong and Japan.

A FEW COMPANIES are now moving into the plastics field in this area but the industry is not widely established here. The fact that Singapore is a free port undoubtedly has affected industrialization adversely in Singapore and Malaya. Manufacturers lack incentives to establish new industries; they are not protected by import licensing or customs duties.

Consequently, only a few producers have entered the plastics field. The plastics market in this area is therefore mainly for finished goods or semi-finished products that can be processed with a small amount of local labour. Some fabricating machines have been installed in Singapore and in Kuala Lumpur in the Federation of Malaya, but strong foreign competition has limited local output. A large domestic market in the Federation and Singapore is lacking and imported plastics are cheap; local manufacturers find it difficult to expand production.

Kinds of Plastics Produced

The most recent plastics development in Singapore is a plant to extrude polythene tubing. This is the only plastic extrusion operation in the whole of Southeast Asia. This factory currently imports polythene from the United Kingdom. The polythene tubing is designed to carry cold water required for irrigation sprinkler systems and liquids for various specialized purposes.

There are also a few small producers making goods from moulding compounds such as battery fillers, bicycle handlebar grips, ashtrays, dishes, etc. There are no industries to produce the usual variety of moulded plastic products such as radio cabinets, toys, etc. Although small quantities of urea formaldehyde and phenol formaldehyde are imported, there is little activity in this field. Some products are brought in for further processing such as printing and stamping.

Although there are a few injection moulding units in the area, they have not proved successful because of the keen competition from finished goods produced in Hong Kong and Japan. The firms are small and local; limited export markets have discouraged large-scale production. Some injection machines are idle at the moment.

Local production of plastic raw materials is nil at present and this situation is unlikely to change in the

near future. However, local fabrication from compounded materials is appreciable considering the small size of the market and limited purchasing power. This type of processing will continue, with little chance that any company will produce the basic raw materials locally. Compounded plastic materials are brought in for further processing by local industries. For example, phenol formaldehyde and other glue resins are used in the plywood industry and small amounts of polystyrene are imported for fabrication.

Signs, advertising materials and various other goods from acrylics are produced in the area. Plastic fabrics are very popular in the local market and synthetic leathers, polyvinyl chloride sheets, etc., are fabricated locally into handbags, wallets, belts, shoes, upholstery and other products.

Imports of Plastic Materials

The classification system used by Customs is not broken down according to individual plastic materials. However, the major imports in Malayan dollars for 1954 and 1955 respectively were: polyvinyl chloride sheets and film (M$1,236,907 and M$2,366,420); reconstituted and artificial leather (M$1,073,092 and M$1,256,790); laminated plastic materials (no figures available for 1954 and 1955 but M$260,645 imported in first four months of 1956); primary plastic materials (M$2,165,239 and M$2,241,121); acrylic sheets, film (M$443,318 and M$557,603); cellulose acetate (M$46,544 and M$51,083); polystyrene (1954 and 1955 figures not available but imports in the first four months of 1956 were M$37,662); phenol formaldehyde (M$56,508 and M$113,980); urea formaldehyde (M$681 and M$18,832), and polyethylene (January to April 1956 imports were M$17,817).

Except for small quantities of polystyrene, phenol formaldehyde, polyethylene and urea formaldehyde, the majority of these imports are compounded materials for local manufacturing. Space limitations do not permit listing the detailed import statistics by country but anyone interested in these may obtain them from the Chemicals Division, Department of Trade and Commerce.

Plastic materials in primary forms are freely licensable from dollar countries; so are imported plastic fabrics for local manufacturing. If the fabric materials are for direct sale to the consumer for curtains, tablecloths, etc., dollar import licences are refused. In this case, the market is still open to dollar goods because exporters can ship via Hong Kong, where the goods are re-documented and sterling is exchanged for dollars. The financing and documentation processes in Hong Kong add to the landed costs.

The market possibilities are fair for compounded plastic materials if prices are competitive. At present the United Kingdom, West Germany and Japan dominate the market for primary plastics in this area; the United States provides some of the primary materials classified as "n.e.s.", and polyvinyl chloride sheets. Market prospects for plastic materials will continue extremely limited.

A fair percentage of Singapore's plastics imports are re-exported to the adjacent Borneo territories and Indonesia.

—M. P. CARSON,
Trade Commissioner, Singapore.

JAPAN—*Except for materials derived from the petrochemical industry, Japan is a net exporter of primary plastics and ranks fourth among the world's leading producers. Imports from Canada are limited to polystyrene. This market should continue until output of Japan's new petrochemical industry meets demand.*

THE RAPID EXPANSION in recent years of Japan's plastics industry, which is based largely on raw materials from indigenous carbides, has provided a market for Canadian exporters but demand is limited to primary plastics from petrochemical sources. In 1955 Japan imported over two thousand tons of polystyrene and about 40 per cent of this came from Canada. Canadian sales of synthetic resins to Japan last year reached 866,165 pounds valued at $296 thousand. Japan's newly organized petrochemical industry will produce its first polystyrene this year and hopes to supply polyethylene in 1957. The plastics industry's heavy demands will result in continued imports, although Japan may reach her goal of self-sufficiency in plastic raw materials within a few years.

Domestic Industry Developed

Japan's output of plastic raw materials rose to 130 thousand tons in 1955, and she now ranks fourth (after the United States, West Germany and Great Britain) among the world's leading producers. Synthetic resins, including polyvinyl chloride, vinyl acetate, polyvinyl alcohol and urea resin, comprise the bulk of her production. Japan has an abundance of limestone and adequate coal resources to produce the carbide which is the source of these products. And because of her relatively poor resources, an industry based on domestic raw materials is likely to be developed to a high degree.

One test of Japan's productivity in the plastics field may be found in the following table for 1955 which shows the nation's exports and imports of plastic raw materials. The reader will see that, with the exception of materials derived from the petrochemical industry, Japan is a net exporter.

Type	*Exports*		*Imports*	
	Tons	*$'000*	*Tons*	*$'000*
PVC	2,500	1,500	100	120
Phenolic resin	30	20	100	110
Cellulose acetate	760	490	0	0
Polystyrene	0	0	2,300	1,600
Polyethylene	0	0	4,000	3,800

Another index of the development of Japan's plastic industry is her virtual self-sufficiency in plastics processing machinery. There are approximately 680 extruding machines, 600 injection moulding machines and 4,000 transfer moulding machines now in operation and practically all of them are Japanese built. Japan also manufactures high frequency ware, sewing machines, welders, and vacuum-forming machines.

Program to Expand Output

The Japanese Government, which is fully aware of the economic importance of a plastics industry based on indigenous raw materials, has announced a five-year production program for the industry. The targets set in the new program are as follows:

Item	*1956*	*1957*	*1958*	*1959*	*1960*
			(in metric tons)		
Phenol resin	13,400	14,000	15,000	16,000	16,500
Urea resin	50,000	53,000	56,000	60,000	65,000
Polyvinyl chloride	55,000	60,000	65,000	70,000	72,000
Methacrylate resin	1,200	1,500	2,000	2,500	3,000
Silicone resin	300	400	500	600	700
Fluorinated resin	200	300	400	500	600
Alkyd resin	6,200	6,600	7,300	8,000	8,500
Polyester	1,000	1,500	2,000	3,000	3,500
Polystyrene	1,100	6,300	8,000	10,000	12,000
Polyethylene	0	10,000	15,000	20,000	25,000
Cellulose acetate	7,300	13,000	18,600	24,100	29,500
Polyvinyl acetate	28,000	46,000	59,500	79,000	102,200
Polyvinyl alcohol	12,400	20,780	27,100	36,200	47,200
Melamine resin	3,400	5,450	6,680	6,980	8,800
Total	179,100	238,830	283,080	336,880	394,500

Until the Japanese primary plastics industry is in full stride, Canada will probably continue to supply it with polystyrene and polyethylene. But the long-term outlook for plastic raw materials, particularly from dollar sources, cannot be considered bright in view of the rapid development in almost every phase of Japan's plastics industry.

—W. G. PYBUS,
Commercial Secretary, Tokyo.

PHILIPPINES—*This country's small but expanding plastics industry depends entirely on imports of primary plastics which enter duty-free. Polystyrene is main material used at present.*

ONLY IMPORTED RAW MATERIALS are used by the plastics moulding and fabricating industry in the Philippines and all primary plastics enter the country free of taxes and duties. The market for synthetic resins—particularly those designed for moulding and extrusion—has expanded in the past few years and this trend should continue. Imports of plastic sheets and film may drop as local production increases. The major obstacle to increased imports of plastic materials is exchange control; Philippine manufacturers have limited dollar allocations for which suppliers of foreign raw materials must compete. The local firms are making more plastic products which replace imported goods and as their output expands, dollar allocations for plastic raw materials should increase.

Industry Small but Expanding

There are about two dozen manufacturers of plastic products in the Philippines, making articles such as extruded sheets, tubing, handbags, hangers, tumblers, buttons, combs, household brushes, raincoats, and bottle caps. Total output of the Philippine plastics industry was reported as about US$900 thousand in 1953, US$1·25 million 1954, and US$9·45 million in 1955. There may be duplication in these figures because the value of locally made sheeting was included also in the value of fabricated products and the 1955 statistics were more complete.

The most common plastic processes are compression moulding, injection moulding, and extrusion. Two firms are using blow moulding to make squeezable bottles, and one or two firms are considering calendering.

The Philippine plywood industry, which produces about 80 million square feet a year, uses three types of glue: urea, phenol, and melamine formaldehyde. All of these adhesives are imported at present, but Borden Chemical, a United States company, is constructing a plant in the Philippines to produce urea formaldehyde, and later phenol formaldehyde. The firm, which plans to produce about ten tons a day on a one-shift basis, should begin production in early 1957. This plant eventually will meet the entire Philippine demand for these glues.

At least one United States firm has considered making moulders' supplies in the Philippines but has apparently discarded the idea. It is likely the country will rely solely on imported plastic raw materials for at least several more years.

Proper statistics are not available, but Philippine imports are estimated at three million pounds of plastic raw materials a year and about 2·5 million pounds of plastic sheeting. The principal materials in probable order of importance are polystyrene, polyvinylchloride, urea, phenolics, and cellulose acetate.

Polystyrene Main Product Used

Polystyrene is the biggest single plastic material consumed in the Philippines and most of it comes from the United States; Germany has sold small quantities, and recently an Italian company has attempted to enter the market. About 90 per cent of the urea formaldehyde moulding compound originates in the United Kingdom with small quantities bought from Japan. The Japanese urea is about two cents a pound cheaper than the British but the quality is not as high. Germany dominates the market for urea formaldehyde adhesive and polyvinylchloride. Canada sold about 53,000 pounds of synthetic resins to the Philippines in 1955 and another 50,000 pounds during the first seven months of 1956.

How to Do Business

Imports into the Philippines are controlled by allocation of U.S. dollars for specified commodities. Importers of primary plastics are especially favoured by having no duties or taxes to pay. Because the dollar allocations for plastic raw materials are made directly to the manufacturer and not to importing firms, most Philippine plastics manufacturers place their orders on an indent basis with local representatives of foreign companies. United States suppliers have to compete freely with those of other countries because their usual tariff preference (25 per cent of the general duty) does not apply. The listing which follows gives an indication of the prices paid for synthetic resins here. In each case the quoted price is the one asked by the suppliers who are the largest exporters of the material to the Philippines. The name of the main supplying country follows. All quotations are c.i.f. Manila in U.S. dollars, because this is the usual form of quoting in this market.

Polystyrene—

general purpose....	$·305/lb.	(U.S.)
high impact	$·374/lb.	(U.S.)

Polyvinylchloride—

crystal grade	$·350/lb.	(Germany)

Urea Formaldehyde—

moulding compound	$·278/lb.	(United Kingdom)
adhesive	$·170/lb.	(Germany)

Phenol Formaldehyde—

general purpose....	$·255/lb.	(U.S.)
adhesive	$·325/lb.	(U.S.)

Polyethylene—

medium molecular weight	$·439/lb.	(U.S.)

Under the existing exchange control regulations, payment for all imports of plastic raw materials is made on an irrevocable letter of credit basis. If their quality synthetic resins can compete in price, Canadian manufacturers should obtain a larger share of the growing market for plastic raw materials here.

—W. J. JENKINS,
Vice-Consul and Assistant Trade Commissioner, Manila.

INDONESIA—*Canada's sales of plastic materials to Indonesia have increased this year; industry is new and may expand rapidly, if exchange is available to buy new equipment. Polystyrene and polyethylene are chief materials purchased; United Kingdom, United States, West Germany and Netherlands the main suppliers.*

A GROWING MARKET for plastic raw materials is developing in Indonesia and the prospects for increasing demand are considered good. The manufacturing of plastic products is a new industry and has expanded rapidly during the last three years. Restrictions on imports of most types of finished plastic products have encouraged this development.

Must Import Raw Materials

Indonesia has no chemical industry producing primary plastics and must import compounded materials for fabrication and semi-fabricated materials for further processing. The Central Bureau of Statistics keeps no record of imports of individual raw materials; all are classified as derivatives of cellulose or artificial plastic materials, and the total also includes some finished plastic products. The table on page 29 gives imports by country of origin for 1954 and 1955 and the first five months of 1956.

People in the trade estimate that the industry imports 500 tons of polystyrene a year from the United Kingdom, the United States, Canada and West Germany. Polyethylene imports are placed at 25 tons

Indonesian Plastic Imports

Country	1954 Quantity Metric Tons	1954 Value 000's Rupiahs	1955 Quantity Metric Tons	1955 Value 000's Rupiahs	January-May 1956 Quantity Metric Tons	January-May 1956 Value 000's Rupiahs
etherlands	232	1,463	131	950	74	621
nited Kingdom	191	1,787	706	6,688	259	2,253
'est Germany	77	860	93	600	126	896
aly	.. ..	....	....	....	40	55
zechoslovakia	.....	....	....	....	63	306
anada	36	327	19	170	65	571
nited States	128	881	438	4,041	140	1,201
witzerland	13	154	6	140	......	....
ong Kong	77	784	144	1,192	2	22
'ance	. ....	....	15	140	......	....
Total	756	6,265	1,578	14,018	756	6,014

$1.00=11.65 rupiah.

year from the United Kingdom, the United States nd West Germany; the United Kingdom supplies 15 ns of urea formaldehyde and the Netherlands ten ns of phenol formaldehyde. About half a ton of ylon filament is obtained from West Germany. olyvinyl chloride sheeting is also supplied by West ermany but the amount is unknown.

nports of plastic raw materials, regardless of the urce, are subject to the following taxes:—

An import surcharge of 100 per cent of the c. and value.

An import duty of 9 per cent ad valorem payable the c. and f. value, plus the import surcharge.

A statistical tax of 1 per cent payable on the mbined cost, import surcharge, and import tariff.

An import tax of 5 per cent payable on the total sts, import surcharge, import duty, statistical tax.

e plastics industry consists of an estimated 45 firms th some 500 moulding machines using dies bought Hong Kong. Many of these machines were made cally and are small, crude, and operated by hand. ey are now out-of-date and need to be replaced. ere are three moulding machines capable of using lyvinylchloride compounds but none is producing the present time.

lystyrene and polyethylene are the chief raw aterials purchased abroad. Other imports include ea formaldehyde for moulding buttons, bottle caps, d domestic utensils; some phenol formaldehyde to ake bottle caps and electrical components; polyvinyl loride sheeting for the manufacture of wallets and ndbags, and a small amount of nylon filament for othbrushes.

cal production of plastic products should increase d be accompanied by an expansion in manufacturing ilities. There are, however, two factors which may limit output. One is the lack of domestic capital for expansion purposes; the other is the question of available foreign exchange. The Government could refuse to approve purchases of the necessary fabricating machinery and plastic moulding compounds. The current foreign exchange shortage makes it unlikely that any of the newer plastic raw materials or finished plastic products will be allowed in.

—W. D. WALLACE,
Commercial Secretary, Djakarta.

Tours of Territory

R. W. BLAKE, Commercial Secretary in Melbourne, Australia, will visit Tasmania from December 10-19.

L. D. BURKE, Assistant Commercial Secretary in Santiago, Chile, will visit Concepcion in southern Chile and the surrounding district for one week early in December.

R. E. GRAVEL, Commercial Secretary in Caracas, Venezuela, will visit the Netherlands Antilles in December.

W. D. WALLACE, Commercial Secretary in Djakarta, Indonesia, plans to visit Pakanbaru, Medan and Palembang in Sumatra between January 14 and 23, 1957.

Businessmen who would like these officers to undertake assignments for them in these areas should get in touch with them at their posts as soon as possible. Mr. Blake can be reached at his office in Melbourne, Mr. Burke at Santiago, Mr. Gravel at Caracas, and Mr. Wallace at Djakarta.

General notes

Argentina

STEEL PLANT—"Acinfer, Industria de Fundiciones de Hierro y Acero S.A.", with an authorized capital of 150 million Argentine pesos, proposes to establish a new steel plant in Argentina early in 1957. Estimated annual production valued at 450 million Argentine pesos will effect a substantial saving in foreign exchange. "Acinfer" is a combine formed by one Argentine and three American firms—Buenos Aires, Nov. 14.

Belgium

COAL—The High Authority of the European Coal and Steel Community estimates that its annual coal requirements will increase by over 30 per cent in the next twenty years, even although some 70 million tons of coal will probably be replaced by nuclear energy. The ECSC is expected to satisfy 29 per cent of its energy needs by means of liquid fuels in 1975, compared with 16 per cent today.

STEEL—The demand for steel in the European Coal and Steel Community is estimated at 66 million to 73·2 million tons for 1965, compared with 43·8 million tons for 1955. This estimate excludes exports—Brussels, Nov. 14.

Chile

ELECTRIC POWER—The International Bank for Reconstruction and Development has granted a loan of US$15 million to the Chilean National Electricity Corporation for the development of power. The proposed projects will provide increased electricity to Santiago, Valparaiso and Concepción. In addition to these main undertakings, diesel and hydro facilities are being improved in many smaller centers. The proposed program should satisfy the Chilean demand for electric energy until 1965—Santiago, Nov. 16.

Cuba

EXPORTS—Exports in January 1956 at $50,636,000 exceeded those for the same month of 1955 by almost $4 million, and set an all-time record for this month of the year (the average for 1947-1955 was $38 million). Unfortunately, no comparison can be made with imports for this month as compilation of import figures is delayed—Havana, Nov. 16.

Denmark

INCREASED IMPORTS—Denmark's imports during the first seven months of 1956 totalled 5 billion D.kr., 331 million more than in the corresponding period in 1955. OEEC countries accounted for 3,824 million, and dollar countries supplied goods valued at 555 million. Although imports from OEEC countries increased by D.kr.38 million, those from dollar sources showed an increase of 205 million. The increase in imports from other countries—mainly Argentina, Brazil, and in Eastern Europe—reached 88 million—Copenhagen, Nov. 10.

Federation of Rhodesia and Nyasaland

EXPORTS INCREASE—Exports from the Federation of Rhodesia and Nyasaland for the first six months of this year totalled £90·5 million, a 26 per cent increase over 1955 and 29 per cent over 1954. A substantial portion of this increase is due to larger copper exports. Ignoring exports of gold bullion, the Federation's visible favourable balance of merchandise trade amounted to £14·3 million for the first half of this year, compared with £6·6 million for the same period last year. Next to copper, tobacco is the most important export and, in spite of the lower average price for the crop since sales began in April, greater production will probably step up the Federation's total tobacco earnings by as much as 10 per cent over last year's £24 million—Salisbury, Nov. 12.

French Equatorial Africa

MANGANESE—Ore from the Franceville manganese deposits will be extracted by the open-pit method, after deforestation and the removal of a 15-foot layer of earth which are scheduled for February 1957. After being trucked to washing installations, the mineral will be transported 85 kilometres by cable railway and 265 kilometres by ordinary rail. The 265 kilometres of railway will be financed by a state loan of 1·75 billion francs CFA. Tenders for the

construction of the railway will be awarded to contractors without any national discrimination—Leopoldville, Nov. 9.

India

MICA EXPORT COUNCIL—The Indian Government has formed a mica export council consisting of Central Government officials, representatives of the State Governments of Bihar, Rajasthan and Andhra, and representatives of the trading interests in these states. The main function of the council will be to increase the export of raw mica, manufactures of mica and by-products of the mica industry, by means of foreign market surveys, dissemination of statistical and other information, and standardization of quality and packing. India supplies about 80 per cent of the world's requirements of good quality mica and 90 per cent of inferior quality mica from which micanite is produced. Between 60 and 70 per cent of India's total mica exports go to the United States; the United Kingdom is the second largest importer. Exports of mica during the twelve months ended March 31, 1956, were valued at approximately \$16·7 million—New Delhi, Nov. 5.

ELECTRIC TOOLS—The Government of India has approved a proposal for the domestic manufacture by a well known British firm of a wide range of electric tools, including small saws and lathes, buffing and planing machines. A substantial portion of indigenous material is to be used in making the tools—New Delhi, Nov. 12.

South Africa

OIL AND GREASE PLANT—A new factory for the manufacture of lubricating oils and greases is under construction near Durban at a cost of £1 million. When it comes into operation early next year, it is expected to mean a saving of over £1 million a year in foreign exchange—Cape Town, Nov. 13.

FOREIGN TRADE INCREASES—Imports for the first eight months of 1956 totalled £341·8 million, compared with £327·7 million for the same period of last year. Exports rose steeply to £264 million from £233·1 million last year—Cape Town, Nov. 9.

Sweden

AGRICULTURAL IMPORTS—The Board of Agriculture has requested authority from the Government to apply licensing without quantitative restrictions on imports of meat, pork and butter from OEEC countries, from countries not belonging to this organization but within the sterling area, and from Finland, Indonesia and Yugoslavia. The request was made in connection with the new price system for agricultural products, but final decision has not been reached by the Board as to whether this authority will be used if granted—Stockholm, Nov. 15.

Trinidad

NEW INDUSTRIES—The Government of Trinidad is in the process of granting Pioneer Industry concessions to three new industries to produce gypsum wallboard and tile, gramophone records, and packaged spices. These concessions will include a tax holiday for at least five years and the right to import machinery and equipment free of duty—Port-of-Spain, Nov. 8.

United States

SYNTHETIC FIBRE PLANT—American Cyanamid Company has announced definite plans to build a new Creslan synthetic fibre plant in Pensacola, Florida. It will employ 350 workers, including some 55 chemical engineers and technicians. Cyanamid has established a new fibre division to operate the plant—New Orleans, Nov. 20.

INDUSTRY IN NEW ENGLAND—With 600 plants employing 76,000 workers, New England has 15 per cent of the nation's electronics industry. More than half of these plants were not in business a decade ago. New England also produces 38 per cent of the nation's shoes, 56 per cent of its newsprint, 42 per cent of special industrial papers, 32 per cent of groundwood printing and specialty papers, 29 per cent of absorbent papers and 18 per cent of book papers. It also makes 16·5 per cent of the pulp and paper industry's annual sales—Boston, Nov. 15.

GIVE-AWAYS—There is a trend now toward more quality in give-away premiums. Demand is increasing for items valued from fifty cents up to be given away for a box top. The public is losing interest in cheap novelty items; something more substantial but relatively inexpensive is required—New York, Nov. 22.

NEW PULP MILL—Construction of a new pulp mill, to be called Bowaters Carolina Corporation, in York County, South Carolina, is expected to begin soon. The 400-ton sulphate pulp mill will be in operation early in 1959, according to plans. Initial costs of the mill have been estimated at approximately \$35 million; later expansion, it is said, could eventually increase the value of the investment to \$100 million—New Orleans, Nov. 20.

Six Problems in Overseas Selling

At the recent convention of the Canadian Exporters Association, Mr. Young, out of his broad experience in dealing with foreign markets, had sound advice for Canadian traders. Here is an abridgment of his address on foreign sales problems and how to overcome them.

MARSHALL E. YOUNG, *Vice-President, Monsanto Chemical Company, St. Louis, Mo.*

CANADIANS it seems to me really have two major kinds of foreign trade problems. One is short-range —the peculiar kind of problem that develops in a period of exceptional internal growth and when so much of the capital and equipment comes from a single source—in this case, the United States. This problem almost surely is temporary because today's exceptional development situation will give way soon to more normal growth. Certainly the abnormal one-way flow of capital will soon move toward some degree of balance because the United States will buy increasing quantities of the production Canada is now creating.

It is not too soon for Canadians to face up to the problems which this condition automatically imposes. If you recognize them now and lay your plans accordingly, you can avoid many of the worries and some of the setbacks the United States has suffered over the last thirty years. What, then, are these basic problems and how can they be solved?

Problem One: Wider Markets

The first problem is one that has plagued foreign traders in both Canada and the United States since the end of the First World War for, though you did not become a creditor nation at that time, you possessed an abundance of the goods a hungry world wanted and you ran your economy—then as now—on a sound fiscal basis. As a result, the need for Canadian dollars is greater than the supply abroad, and Canadians know what a dollar shortage means to overseas business.

Today your exports and imports of goods come close to balancing, even after including the "abnormal" imports of special equipment for your massive development program. And while you have smaller investments elsewhere than non-Canadians have in Canada, your dividend remittances have not been seriously critical in recent years because the continued influx of new investment capital has kept you supplied with foreign exchange. Before this influx slows down, I feel confident that first, your own overseas investments will have grown and so will be providing you with growing dividend payments in foreign currencies, and second, your exports in the many fields now under development are likely to expand faster than your imports. Certainly the basic factors in your foreign trade outlook are good.

But the character of both your exports and imports is likely to shift significantly in the years ahead. As your extractive industries expand, ore—and eventually a mounting volume of refined metals—will compete with such old standbys as grain and timber products. But with major new supplies of iron ore, petroleum and gas now available within your borders, I predict also that Canada will have a new surge of expansion

on the industrial front. And this means new competition among yourselves for mass markets—at home or abroad.

Here then, it seems to me, is your first problem. Whether you are already in export or merely marketing at home, you may soon find—as many of us in the United States have—that you definitely need an overseas market, or a bigger overseas market, to accommodate the mass production you need for maximum economy of operation.

And if overseas sales are vital to you—or if they are going to be vital to you over the next few years—now is the time to establish your product solidly in the overseas market for if, after Canada becomes a creditor nation, you are eventually forced to manufacture abroad because of dollar shortages, you will then have the knowledge of the area and the product prestige likely to make your local venture successful.

Problem Two: Understanding Your Markets

The second problem confronting the would-be foreign trader (indeed it is still a problem not yet frankly faced by many who consider themselves to be in overseas business) is one of understanding each local market.

The export market is full of in-and-outers, companies which jump in when they have misjudged the size of the domestic market and over-produced some item, or who are caught with an old model and are willing to sell it overseas at almost any price.

No company today can expect to operate successfully in the overseas market on any such haphazard basis. Competition has become too keen and overseas buyers have become too experienced. With Germany, Britain, Japan and others back as shrewd and diligent competitors, even the most astute manufacturer has to know each market well and has to appeal increasingly to local tastes and conditions if he expects to hold or build a significant place for his products.

While Canada has only about $1·0 billion invested in Canadian-controlled overseas business now, according to the latest records available to me, this is double the figure for 1947. So it seems clear that overseas developments are already well under way and a study of the operations of the 300 companies already involved quickly indicates that most of them have certainly passed beyond the shoestring operation stage of selling abroad.

You may choose to make a pilot sales effort in a single foreign market such as England or Mexico or Australia.

If You Are Operating an Overseas Business . . .

Out of its own experience in running overseas operations and from watching other companies which it considers especially successful, Monsanto Chemical Company has evolved a brief credo of organization and operational procedures. Here are the main points, as Mr. Young outlined them:

1. *Whenever possible, staff overseas operations with nationals of the countries concerned.*

2. *Handle the organization and job analyses exactly as you handle them at home and treat your overseas staff on the same basis that you treat your home staff, bearing in mind local conditions.*

3. *Maintain close personal contacts with your overseas staff and markets. To achieve this I can hardly overemphasize the importance of overseas travel on the management, sales, manufacturing and technical levels. Key men in your overseas operation should be brought to the home office periodically. The efficiency of our own operation has been increased greatly by a staff of area sales supervisors who reside in strategic overseas locations and work closely with our selling organization in improving communications among customers, selling agency and manufacturer.*

4. *Learn and respect the local customs, traditions, religions and sensitivities of the nationals.*

5. *Try to give the overseas market the product which the market wants—and not the product which you may think it should have.*

6. *If you are selling industrial goods, provide your customers and prospective customers with complete information on the nature and application of your products and—whenever expedient—in the language of the individual country.*

7. *Create a long-range plan for each overseas plant just as you do for your domestic business and see that comparable controls are established and checked with the same care and regularity.*

But if you undertake even such a step-by-step venture without a careful survey of the market potential, a thorough study of local tastes and customs, and a careful look at your competition, you are likely to run into trouble.

Problem Three: Organizing the Operation

The third problem is one of the most important in the foreign sales business: how should the operation be organized?

It is impossible for me to lay down a set of rules as to when a company should discontinue exporting from its own country and start manufacturing locally overseas. Conditions differ too radically by products, sources of raw materials, manufacturing problems in overseas countries and, above all, in measurement of market potential.

Actually, many companies use a varied pattern of overseas operations. Donald McMaster, vice-president of the Eastman Kodak Company, told the National Business Conference at the Harvard Business School last June, for example, that Eastman currently has five overseas manufacturing plants and a series of company-operated distributing companies in 44 countries, with a total equity in its overseas assets of $99 million.

The overseas operation of my own company, Monsanto, has twelve manufacturing plants, six subsidiary companies, three associate companies and a part interest in four other companies. Sales representatives are located in 68 countries. From these specific examples it should be clear that there is no standard pattern for overseas operations. Some companies prefer to start from scratch and create a 100 per cent-owned branch. General Electric has operated more or less along these lines though sometimes there has been some small amount of local participation in their overseas units. Other companies prefer to encourage foreign capital participation, sometimes even beyond 49 per cent.

In contrast to this pattern, other companies prefer to buy outright, or purchase a share in, some local manufacturing company which has a similar product or a desirable set-up of worker skills, sales organization and management experience. I cannot recall any company following this formula exclusively, but it has the advantage in this period—when so many firms are trying to move into foreign sales in a hurry—of providing a going set-up which can quickly adapt itself to the needs of a parent firm.

Problem Four: Market Information

The fourth problem is market information. One of the greatest shortcomings of overseas marketing is the fact that there is such a dearth of local market data in most overseas countries. One of the many reasons why Canada has been so popular with businessmen and investors in the United States is that you can provide virtually the same economic data that we are familiar with at home. Unfortunately, there is no evidence in other parts of the world that this situation is going to improve quickly. In almost every country I visited on my periodic rounds overseas, there are no statistics comparable either in scope or accuracy with those we use regularly at home. However the United Nations Statistical Commission has recently proposed that United Nations governments make regular and uniform censuses of their wholesale, retail and service trades. When this develops—and it is the kind of project which can move quickly once it is established—business will have its first important and somewhat comprehensive set of marketing facts on which to base its overseas plans.

In the meantime, managements entering the overseas field should be forewarned that they must provide most of their own local market research and—at least for the present—it is likely to be pretty sketchy. They will get help from the larger banks but the data will be in no such detail as that available at home.

Problem Five: Getting Started

The fifth problem is when to launch out. Don't undertake to establish yourself in the overseas market until you are prepared to staff, co-ordinate and supervise your sales and order-handling organization in much the same way that you do at home. Sales personnel the world over need to be organized, assigned specific territories or customers, supplied with a sound sales story, and equipped with a good knowledge of the product they sell. Personnel for your export department staff should be selected and trained well. Don't use these posts as stepping-stones to the domestic operation. These people need a knowledge of the domestic operation as well as sound training in all phases of export handling. Remember your export customer is not readily at the other end of the telephone so too much emphasis can hardly be put on attention to communications and their interpretation. In handling orders there must be a mutual understanding between the buyer and the seller as to what, how, where, etc., on materials, packing, methods of shipping and methods of payment. Much of your success will depend upon the handling of your overseas inquiries and orders.

Advertising in the foreign field is not much different from advertising here. And good advertising can be just as profiitable. Properly used, it can be one of your most vital forces of communication.

Do not be misled by the often repeated belief that advertising to foreign markets is a complicated and totally different endeavour employing a high degree

hocus-pocus. Generally your customers and prosects are pretty much alike whether they are in Latin merica, the East, or Europe. They want to know omething of your ability to serve their needs and how our products or services can help them with their roblems.

roblem Six: Language

anguage is the sixth problem and one that cannot be nored overseas. But it is not an insurmountable one. ot every company entering the foreign trade field today can supply trained executives who have a knowledge of one or more foreign languages and I do not think that this is essential to doing business abroad. I feel, however, that selling abroad on the scale you hope to achieve in the next 20 years will require a command of at least one foreign language for the top men in your organization. I believe that our increasing business, political and social contacts with the rest of the world will demand a practical teaching of language in our secondary schools in the near future. In the meantime, we are fortunate that English is the accepted language of trade in so many parts of the world.

Bahamas Market Expands

vestment in tourist facilities and building of ee port has sparked business boom. Canadian are of market, despite preferential tariff, lags hind that of the United States.

E. CAMPBELL, *Trade Commissioner, Kingston.*

NITED STATES BUSINESSMEN have cultivated e Bahamas market intensively; as a result, in the first lf of 1956 they received orders for $9 million worth goods. Canadians, in the same period, achieved les valued at only $1·13 million. Yet Canadian porters enjoy a 10 per cent tariff preference in this arket over their U.S. competitors and should be tting a larger share of the business.

S. exporters, admittedly, have a shipping advantage, hough there is excellent freight service from Montal to the Islands every 12 days. The eastern coast Florida is close to the Bahamas, which partially plains the United States domination of the market. liveries from Miami and Jacksonville are rapid and ight rates low (about one cent a pound). These are t, however, the only reasons for the larger U.S. sales.

ust Seek Business

hamas businessmen are quick to point out that nadian exporters show lack of interest in the arket the Islands offer. Here is how one man antly stated the case: "Miami salesmen are over here regularly with samples, prices, and delivery schedules. The only person we ever see from Canada who wants to talk business is the Canadian Trade Commissioner." Yet Canadian manufacturers of construction equipment, building materials, consumer goods, and foodstuffs could share in the present business boom.

The list that follows has been drawn up to show the main commodities imported from dollar countries during the first six months of 1956. The table also compares United States and Canadian sales in this area.

Commodity	*Value of Imports from United States*	*Canada*
Foodstuffs	$1,497,761	$507,885
Lumber and wood products	524,033	106,837
Apparel	599,169	3,929
Engines—machinery and parts	387,042	1,254
Electrical fittings and devices	354,464	1,576
Household furnishings	313,291	225
Paper and paper products	246,700	11,546
Drugs, medicines, pharmaceuticals	164,511	17,761
Motor vehicles	130,824	27,150
Textiles	127,858	6,350
Plumbing fixtures and supplies	127,767	2,000
Hotel supplies (excl. foodstuffs)	113,715	475
Government supplies (non-consumable)	113,788	1,985
Auto parts and accessories	99,367	6,451

Alcoholic beverages was the only commodity in a list of more than 80 that enjoyed higher sales than the competitive product from the United States; Canadian sales totalled $66,364, about three times U.S. imports. Feed manufacturers in Canada shipped $29,761 worth of animal feeds compared with $56,600 sold by U.S. firms.

—Bahamas News Bureau

A Canadian ship unloads flour at Prince George Dock, Nassau, Bahamas. Foodstuffs of various types rank first among varied Canadian exports to the Bahamas group of islands.

The economy of the Bahamas depends chiefly upon the tourist trade and American and Canadian tourists are invading the Islands in ever-increasing numbers (10,000 a month at present). Tourist spending boosts retail sales, attracts real estate developments such as hotels and resort facilities, and stimulates other construction. These developments add up to more business for exporters.

Capital Projects Flourish

Capital investments in the Bahamas are subject to no income or inheritance tax, and there is only a small tax on developed property. Luxurious resort hotels, sporting facilities, and high-class residential developments are springing up around Nassau on New Providence Island. Other resort developments are under way on the Berry Islands and on Eleuthera Island. The latter is also the centre of a new cattle-raising venture financed by a Chicago stockyard operator. A group of real estate investors have joined forces to build a warehouse on Nassau's waterfront.

One well-known Canadian financier has long taken a serious interest in the Bahamas and is boosting the Island's prosperity. He plans to develop the western tip of New Providence Island, on which Nassau is located, and has purchased 3,000 acres of land. Plans call for an hotel, a yacht club, an 18-hole championship golf course and clubhouse. In return for tax concessions granted by the Government, he has agreed to spend at least $840 thousand on the development by March 1958. Around the hotel and golf course, improved residential sites will be offered for sale.

Six miles away, on the south shore of New Providence Island, a United States real estate corporation is building a multi-million dollar yacht club and inn and a residential development called Coral Harbour. In Nassau a new half-million dollar hotel with 52 rooms is being built on West Bay St. by a New York investment company.

Freeport to Attract Industry

Important as the vast real estate investments are in improving the tourist industry in the Bahamas, the most spectacular new development is the Freeport project on Grand Bahama Island. Here a prominent United States investor has undertaken to construct a modern deep-water harbour.

In return, the Government has promised property and income tax exemptions for at least 30 years for industries that establish in the area. Additional concessions include a 99-year guarantee of freedom from excise taxes, customs duties on imports, and stamp taxes. Complete freedom for firms in Freeport to hire experienced employees is stated in the agreement; Bahamians are granted priority for employment as unskilled workers.

The prospect of operating from a tax-free base next to one of the busiest sea-lanes in the world appeals to international investors. One of these, an American shipping magnate with the second largest merchant fleet in the world, is transferring his vast shipbuilding activities from the former Navy Yards at Kuri, Japan, to Grand Bahama Freeport. The choice of skilled workmen from any part of the world is another appealing feature.

Bedrock of the Freeport area has turned out to be 98·45 per cent pure limestone and the plans for a cement plant and chemical-lime plant are therefore logical developments. Other firms are showing considerable interest in establishing light industries.

The founder of the Grand Bahama Port Authority, which has made the Freeport agreement with the Government, expresses confidence in the port area's future: "Companies establishing themselves in Freeport will have an incomparable advantage in world markets and a rare opportunity to grow and accumulate capital, without being hampered by tax burdens."●

trade and tariff regulations

Australia

TRADE AGREEMENT WITH UNITED KINGDOM—Under a new trade agreement which has been concluded between Australia and the United Kingdom, Australia has obtained the right to reduce many margins of preference on United Kingdom goods and has also obtained tariff and other concessions on Australian goods entering the United Kingdom. Further detailed tariff negotiations will be carried out early next year in Australia. These arrangements replace the previous Australia-United Kingdom Trade Agreement which was concluded in 1932.

Without consulting the United Kingdom, Australia may reduce margins of preference on many classes of raw materials and equipment. Preferences also may be reduced on a further lengthy list of commodities, including capital goods and component parts. By gaining the right to reduce margins of preference on United Kingdom goods, Australia is in a position to seek increased trade with other countries and to reduce the price of imports.

The United Kingdom has guaranteed that Australian goods which now enter duty-free will continue to receive this treatment. In addition, the list of goods on which the margin of preference is guaranteed is to be increased. A large proportion of Australia's exportable primary products are covered under these arrangements.

An important part of the agreement is an understanding by the United Kingdom to guarantee purchases of not less than 750 thousand tons of Australian wheat and flour a year during the next five years, provided the Australian price is competitive.

Sweden

FLOUR IMPORTS FROM DOLLAR AREA—The Swedish Board of Agriculture is prepared to consider applications for import licences submitted by Swedish importers for the purchase of flour from dollar countries, against payment in transit dollars. Each case, however, will be considered on its own merits. Transit dollars must be obtained by the importer from a Swedish bank. According to the Swedish authorities, licences for imports of agricultural commodities from the dollar area have up to now been granted without exception under the new policy, which became effective in September 1956—Stockholm, Nov. 15.

United States

NEW CUSTOMS VALUATION LAW—As a legal prerequisite to the introduction of the new valuation law, the Treasury Department is required to establish a list of articles for which the new valuation procedures would bring about a reduction of more than 5 per cent in their appraised value, when calculated from their 1954 import performance. These listed articles will not be granted the benefits of the new valuation procedures making "export value" the main basis, but instead will continue to be appraised on the old basis of "foreign value".

The Treasury Department has now published a notice stating that before the establishment of this list of excepted articles, consideration will be given to any relevant views on why particular imported articles should appear on this list or why certain imported articles should not appear on the list, even though closely related articles may properly be on it.

Venezuela

SAMPLES—Arrangements have been made with the Venezuelan Customs for Canadian exporters who do not have agents or trading connections in this country to consign commercial samples to the Canadian Embassy in Caracas. The Commercial Secretary at the Embassy will arrange for clearance and customs payments, the cost of which will be collected from the exporter. Businessmen who have agents or other trading connections here must consign their samples directly to interested parties in future—Caracas, Nov. 15.

VISAS—The Venezuelan Ministry of Finance has advised that all businessmen visiting this country on "transeunte" visas in future will be obliged to pay income tax here before obtaining exit permits. The income tax will be calculated on 4 per cent of earnings and expenses for the period spent in Venezuela. Each application for a "solvencia" or tax clearance certifying that the tax has been paid must be guaranteed by a local resident. Canadian visitors who do not intend to take orders, sign contracts or undertake legal proceedings during their Venezuelan visit may prefer, therefore, to apply for tourist visas which do not require this formality—Caracas, Nov. 8.

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by $1·038961.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent Nov. 23	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Official	·05347	18·70	(1)
		Free	·02766	36·15	
Austria	Schilling		·03702	27·01	
Australia	Pound		2·1425	·4667	
Belgium, Belgian Empire and Luxembourg	Franc		·01923	52·00	
Bolivia	Boliviano	Official	·005066	197·39	
British West Indies	Dollar		·5579	1·79	(2)
	Pound		2·678125	·37339	(3)
	Dollar	British Honduras	·669531	1·494	
Brazil	Cruzeiro	Effective selling*			
		*Category I	·0181	55·20	*Nov. 14
		Category II	·0105	95·57	
		Category III	·0067	148·67	
		Official buying	·0525	19·06	(5)
Burma	Kyat		·2021	4·95	
Ceylon	Rupee		·2009	4·98	
Chile	Peso	Free	·001914	522·46	(15)
Colombia	Peso	Basic	·3850	2·60	(7)
		Free*	·1662	6·02	*Nov. 23
Costa Rica	Colon	Official	·1714	5·83	
		Controlled free	·1449	6·90	
Cuba	Peso		·9625	1·038	tax 2% (4)
Czechoslovakia	Koruna		·1337	7·48	
Denmark	Krone		·1393	7·18	
Dominican Republic	Peso		·9625	1·038	
Ecuador	Sucre	Official	·06417	15·58	
		Free	·04916	20·34	
Egypt	Pound	Official	2·7639	·3618	(6)
El Salvador	Colon		·3850	2·60	
Fiji	Pound		2·4127	·4145	
Finland	Markka		·004185	238·95	
France, Monaco and North Africa	Franc		·002750	363·64	(8)
French Colonies in Africa	Franc		·005500	181·82	(9)
French Pacific	Franc		·01513	66·09	(10)
Germany	D Mark		·2293	4·36	
Greece	Drachma		·03208	31·17	
Guatemala	Quetzal		·9625	1·038	
Haiti	Gourde		·1925	5·19	
Honduras	Lempira		·4813	2·08	
Hong Kong	Dollar	Free*	·1492	6·70	*Nov. 16
		Official	·1674	5·97	
Iceland	Krona	Official	·05910	16·92	
		Special selling	·0345	28·97	(11)
India	Rupee		·2009	4·98	
Indonesia	Rupiah	Basic	·08476	11·80	(12)
Iran	Rial	Certificate	·0127	78·70	
Iraq	Dinar		2·6950	·3711	
Ireland	Pound		2·6781	·37339	
Israel	Pound		·5347	1·87	
Italy	Lira		·001545	647·24	
Japan	Yen		·002674	373·97	

* Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent Nov. 23	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	·3003	3·33	
Mexico	Peso		·077	12·99	
Netherlands	Florin		·2514	3·98	
Netherlands Antilles	Florin		·5066	1·97	
New Zealand	Pound		2·6781	·37339	
Nicaragua	Cordoba	Effective buying	·1458	6·86	
		Official selling	·1366	7·32	
Norway	Krone		·1348	7·42	
Pakistan	Rupee		·2009	4·98	
Panama	Balboa		·9625	1·038	
Paraguay	Guarani	Official	·01604	62·34	(6) (13)
Peru	Sol	Certificate	·05066	19·74	
Philippines	Peso		·4813	2·08	
Portugal & Colonies	Escudo		·03359	29·77	(14)
Singapore & Malaya	Straits dollar		·3125	3·20	
Spain & Dependencies	Peseta	Basic buying	·04395	22·75	(6)
		Basic commercial selling	·0586	17·06	
		Free	·02471	40·47	
Sweden	Krona		·1861	5·37	
Switzerland	Franc		·2246	4·45	
Syria	Pound	Free*	·2755	3·63	*Oct. 15
Thailand	Baht	Free	·04701	21·27	(6)
Turkey	Lira		·3437	2·91	
Union of South Africa	Pound		2·6781	·37339	
United Kingdom	Pound		2·678125	·37339	
United States	Dollar		·9625	1·04	
Uruguay	Peso	Free*	·2378	4·20	
		Basic buying	·6337	1·578	(6)
		Principal selling	·4587	2·18	(16)
Venezuela	Bolivar		·2873	3·48	
Yugoslavia	Dinar		·003208	311·72	(6)

* Latest available quotation date.

notes

1. Argentina: additional rates result from exchange retentions on export proceeds and surcharges on imports.
2. Barbados, Trinidad, Tobago, Leeward and Windward Islands, British Guiana.
3. Bahamas, Bermuda, Jamaica.
4. Tax of 10 per cent affects selling (import) rates only. Tax is based on official rate, and is therefore 1.88 cruzeiros per U.S. dollar.
5. Brazil: currency certificates auctioned for five import categories. Effective selling rate is official rate of 18.82 to U.S. dollar plus price of certificate. Exporters receive cruzeiros at official rate plus exchange premiums ranging from 18.70 to 48.64 cruzeiros per U.S. dollar, depending on product. Three rates shown cover bulk of transactions for auction.
6. Additional rates are in effect.
7. Colombia: stamp taxes of 3, 10, 30, 80 and 100 per cent on imports depending on essentiality. The free rate applies to minor exports and less essential imports.
8. Includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
9. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
10. New Caledonia, New Hebrides, Oceania.
11. Iceland: special selling rate applies to certain designated commodities.
12. Indonesia: basic rate applies to most exports and a few essential imports. Purchase of exchange for other imports is subject to surcharges of 50, 100, 200 and 400 per cent depending on products.
13. Official rate applies to exports and essential imports. For non-essential imports there is a surcharge of 25 Guaranis per U.S. dollar.
14. Portugal: approximately same rate for Portuguese Territories in Africa.
15. Chile: free rate applies to exports and to imports, except prohibited imports. Chilean importers must deposit local currency in amounts ranging from 5 to 200 per cent, depending on product, prior to shipment of goods.
16. Certain essential imports are subject to a fixed rate of 2.10 pesos per U.S. dollar, and no longer require import permits. Other imports are subject to the free rate, and are under quota. Exports are subject to a variety of rates according to the product. Exports will be divided into eleven categories for exchange rate purposes. Depending on the product, the export rates which will apply range from 100 per cent of the free rate to 100 per cent of the basic export rate of 1.519 pesos per U.S. dollar.

Hamburg Helps Promote Trade

Last month the Canadian Trade Commissioner Service opened its 55th office abroad. Situated in Hamburg, Germany's largest city and seaport, the new office is strategically placed to assist in the promotion of West German-Canadian trade.

E. H. MAGUIRE, *Consul of Canada, Hamburg.*

THE OPENING OF A CANADIAN CONSULATE in Hamburg last month bears witness to Canada's awareness of the enormous progress that Germany is making both in production and in foreign trade. More particularly, it recognizes the increasing flow of trade between the two countries. Today Germany vies with Japan as Canada's fourth ranking customer and has become our fourth ranking supplier.

Foreign trade in Germany is at an unprecedented level and her gold and foreign exchange holdings have reached the record-breaking figure of roughly $4,000 million. Her gold and dollar reserves alone are nearly equal to those of the sterling area. Because of the chronic creditor position and in the interests of internal price stability, Germany is following a liberal import policy with all countries, including the dollar area. The latest moves in this direction took place in June 1956 (see *Foreign Trade* of August 18, 1956) when imports from dollar countries were further liberalized and tariffs were reduced on a wide range of goods from all countries. Importers can now purchase dollar goods about as freely as products from countries in the European Payments Union. However, some products of vital interest to Canada, chiefly agricultural, are still not liberalized and certain agricultural products did not benefit, or benefited only slightly, from the tariff reductions.

Trade Promotion Paramount

The main function of the new Consulate is trade promotion and it is ideally situated to take full advantage of the increased opportunities for trade with Germany. Hamburg was chosen as the locale for the new office because it is the principal commercial and shipping centre of Germany and one of the leading banking centres. In addition, it holds a leading position in industrial processing. It is also West Germany's largest city, with a population of nearly 1·8 million. About one-third of the country's foreign trade passes through Hamburg and there is also considerable movement of goods consigned to or originating from Iron Curtain countries.

The port of Hamburg, one of the largest in Europe, is known as a speedy one because its 15,000 stevedores work on the basis of three shifts, 24 hours a day. In addition to the usual facilities for handling all types of cargoes, it has storage space for 282 thousand tons of grain and 31 transporter bridges for handling coal, ore, etc. Although the heavy war damage to buildings and homes in Hamburg has not yet been entirely repaired, the port area, which was also severely damaged, has been almost fully restored.

Hamburg is also the commercial centre of Germany: the greater number of import-export firms with nationwide distribution arrangements or connections have their head offices there. In particular, the city is the headquarters for the grain, timber, chemical, paper, coffee and fruit trades. In addition to a stock exchange, it has a commodity exchange which deals in 33 commodities or groups of commodities. About a quarter of a million of the city's population are employed in industry—chiefly in shipbuilding, mineral oil processing, tobacco manufacture, vegetable oil processing, the making of chemicals, and electrical and general engineering.

Territory Office Covers

The territory for which the Consulate is responsible includes the city states of Hamburg and Bremen, and the states of Lower Saxony and Schleswig-Holstein. Bremen, with a population of about 650 thousand, is also important as a shipping, industrial and commercial centre. The volume of traffic through the port area totals about half that of Hamburg; grain storage capacity amounts to 145 thousand tons. Bremen is the headquarters of the cotton, wool and tobacco trades.

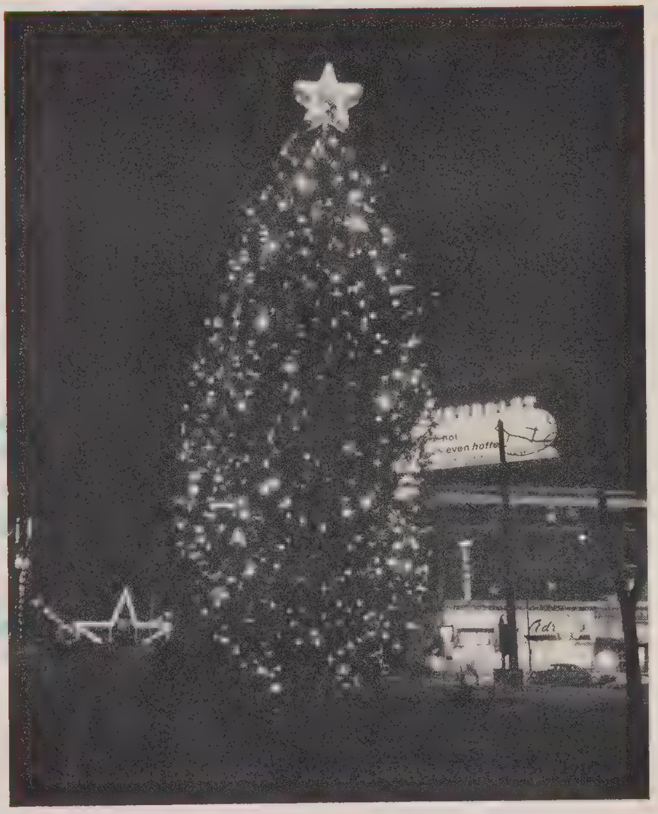
The Consulate will also look after the Canadian exhibit at the annual German Industries Fair at Hanover. It will, of course, maintain close liaison with the Office of the Commercial Counsellor at the Canadian Embassy in Bonn.

The new Canadian Consulate is located at 69 Ferdinandstrasse, Hamburg, Germany, and is in charge of Edward H. Maguire, who has been appointed Consul. Canadian businessmen who are interested in trade with this area should write to Mr. Maguire at the above address. ●

DECEMBER 22, 1956

foreign trade

CANADA



CANADA IN FOREIGN MARKETS (page 15)

ANADA

foreign trade

Established in 1904

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cover This towering balsam was grown in a Canadian forest; last Christmas, sparkling with lights, it stood on New Orleans' famous Canal Street. For pictures of other Canadian products that move to markets far more distant, please turn to page 15.

78240—1

The Southern States: a Changing Market

Growth and change in the Southern States should mean increasing demand for traditional Canadian exports to this area, and opportunities to introduce new types of goods into this market.

A. A. CARON,
Consul and Trade Commissioner, New Orleans.

THE MOST SUCCINCT OF ALL DESCRIPTIONS of today's "changing South" is the quip: "Cotton going west, cattle going east, Negroes going north, Yankees coming south". True though it is, it omits one other significant change in the South—the country is coming to town.

For generations the South has been largely rural. This was true in the colonial days of plantations and slavery, it was true in the reconstruction era, and it was true as recently as 1938, when Franklin D. Roosevelt termed the South "the nation's No. 1 economic problem". The high percentage of small farmers in the South's economy was largely responsible for the accompanying problem of low per capita income. In those days there were too many farmers—and they made too little money. But the South is no longer rural. People have left their homes in droves and have come to town. In the past decade, city population has climbed from one-third to nearly one-half the total. Both Louisiana and Florida have already passed the 50 per cent mark. Louisiana is 54·8 per cent urban, Florida 65·6 per cent.

This table shows how southern cities have grown:

CITY POPULATION AS PER CENT OF TOTAL

1790	1·8
1890	13·4
1940	34·8
1950	47·1

Cities have been growing faster in the South than they ever did in the North. In 1900 there were only three cities in the Southeast with more than 100 thousand population—New Orleans, Louisville and Memphis. In 1900 the Southeast contained only six of the nation's fifty largest cities. Now it has nine—New Orleans, Memphis, Louisville, Atlanta, Birmingham, Miami, Richmond, Norfolk and Jacksonville. Five cities in the Southeast have more than doubled their population between 1940 and 1950—Baton Rouge, Biloxi, Key West, Fort Lauderdale and Panama City.

Buying Power Increasing

What does this urbanization of the South mean to the southerners and their buying power?

As country folks come to town, their occupations shift. They leave farming for manufacturing, trade and service jobs. These changes in the South between 1940 and 1950 are reflected in the following table:

PERCENTAGE OF WORKERS IN INDUSTRY

	1950	1940
Agriculture	21	35
Manufacturing	18	15
Trade and services	61	50

As country folks move to the city, their incomes go up. Between 1939 and 1954 the annual per capita income in eleven Southern States rose from $381 to $1,305. And the income level in the South, although it is still below the average for the United States, has shown a higher-than-average increase in recent years.

PER CAPITA INCOME OF THE SOUTHERN STATES

(dollars)

	1929	1940	1954
United States	703	595	1,770
Alabama	324	282	1,091
Florida	521	513	1,610
Georgia	350	340	1,237
Kentucky	391	320	1,216
Mississippi	285	218	873
North Carolina	334	328	1,190
South Carolina	270	307	1,063
Tennessee	377	339	1,212
Virgina	435	466	1,480
West Virginia	462	407	1,232
Regional total	369	348	1,222
Region as per cent of total	52·1	58·5	69·0

Source: U.S. Department of Commerce, Survey of Current Business.

The second noteworthy development in the South is the growth of industry. In 1955, more than 200 new multi-million-dollar manufacturing plants sprang up in the South and the pace has continued in 1956. This industrial expansion not only is impressive in total but covers a wide variety of industries. Outstanding are aluminum, titanium, pulp and paper, chemicals, fertilizer and electronics. Moreover, the new units are scattered from North Carolina to Texas.

Alabama took a major share of new pulp and paper mills; Florida landed a new $16 million oil refinery and several new chemical plants; Georgia's additions were highly diversified, with one multi-million-dollar brewery included. More than 30 new major plants were reported in Mississippi and more than 40 in Texas. A variety of enterprises were located in Arkansas, Louisiana, Maryland, Oklahoma, the Carolinas and Tennessee. Included were plants for manufacturing such diverse products as bicycles, electric motors, plate glass, cement, gypsum board, television parts, guided missiles and atomic reactors.

Altogether, more than a thousand new plants of all sizes and descriptions were established in the region during 1955.

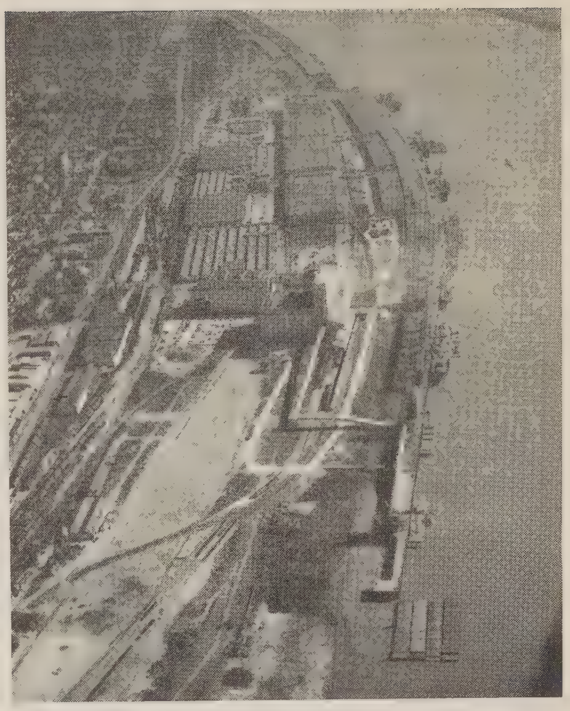
How Canadian Trade Affected

Canadian companies who are selling or who wish to sell in this area should bear in mind all these changes. Generally speaking, they have improved the market for Canadian goods. For example, many new southern industries rely on Canadian raw materials—such as aluminum for several factories, particularly in Florida and Texas, gypsum and rock from Nova Scotia for plants in Savannah, Jacksonville, and New Orleans. Other raw materials imported from Canada include zinc, asbestos, nickel, copper and lead. One Savannah plant producing titanium dioxide obtains its total annual requirements of titanium ore (200 thousand tons) from Sorel, Quebec.

The market in this territory for Canadian newsprint and for hardwoods and softwoods for the construction industry is increasing, particularly in Texas and Florida. The demand for our lumber will continue to rise with industrialization and the resulting demand for buildings and urban homes. Canadian veneers and plywoods are sold in all Southern States for furniture and for sash and door manufacturing.

Christmas trees are shipped by rail from Ontario, Quebec, New Brunswick, Nova Scotia and British Columbia to the Deep South.

Canadian exporters do not always realize that the Southern States import approximately 70 per cent of the rutabagas (turnips) and apples shipped from Canada to the United States. Moreover, Florida, Georgia and the Carolinas offer practically the only U.S. outlet for seed potatoes grown in the Maritime Provinces.



This aerial view of the busy port of New Orleans shows, in the foreground, the public grain elevator and, immediately beyond, the public commodity warehouse and the Foreign Trade Zone.

Pears, frozen berries, miscellaneous vegetables, canned hams, canned foods, fresh-frozen fish fillets and canned fish are among other food products sold in large quantities here.

Selling Manufactured Goods

The South is worth considering also as a market for manufactured consumer goods and some Canadian exporters have been successful in this field. As an example, a Canadian manufacturer of sweet biscuits appointed this year some twenty agents to sell his products in this territory. One of these agents, covering only one state of the Deep South, reported that he has sold appreciable quantities of biscuits for his Canadian principal during the first three months of the contract.

Canadian firms—particularly those who have proved that they can sell their products competitively in the North—should start by doing some active market research in such important centres as Dallas, Atlanta, Memphis and Charlotte. If they are successful there, the Deep South could later be investigated.

The high freight rates do, of course, affect exports to the South and are a definite factor in the expansion of our exports there. Lower rail freight rates and better trucking facilities would help to solve this problem. Increased shipments from Canada might be possible through the Detroit and Niagara gateways if established motor carriers published through rates instead of a combination of rates which is in effect at the present time.

This fast-developing part of the United States is also offering attractive possibilities to Canadian investment capital. A number of Canadians who came here during the winter months have decided to stay and have established new industries, particularly in Florida.

French Equatorial Africa in 1956

Import trade picked up in second quarter of year, but purchases from dollar countries still under allocation. Government promoting industrial and agricultural projects and protecting local industry through increased duties.

K. NYENHUIS, *Trade Commissioner, Leopoldville.*

THE HOPED-FOR ECONOMIC RECOVERY in French Equatorial Africa from the 1953 depression has been slow in developing. Even in those regions which had an increase in business during the first nine months of 1955 the demand for imported goods fell off sharply towards the end of the year and in the early months of 1956. The reason for this probably lies in a rather general uneasiness about the future, a weakening in the prices of lumber, cotton, cocoa and coffee, and an increase in the prices of imported goods.

A number of changes in import and export duties have been made to facilitate exports and to protect local industry. In addition, the turnover tax payable on most imports over and above import duty has been increased from 7·75 to 8·30 per cent. This step was taken to provide revenue for a new scheme of family allowances and maternity benefits in effect from July 1, 1956.

The French Equatorial African Government, however, is doing its utmost to bolster and promote new industrial undertakings—among which hydro-electric and mineral development rank first—and to assist the economy through public works. Agricultural projects, schools, hospitals and road-building are the main beneficiaries.

A new price control order was issued in May of this year fixing maximum profit margins for essential consumer goods; the territorial governors have the power to fix absolute maximum prices where necessary.

Price stabilization funds are being established for coffee and cocoa from export levies on coffee of 2·70 CFA francs and on cocoa of 3·20 CFA francs per kilo. Half of the receipts are to be used for price support measures and the remainder for anti-pest campaigns and improvement of marketing methods.

Mineral Development

The Bureau Miniere de la France d'Outre Mer and the Bethlehem Steel Corporation have formed a study group to investigate the iron ore deposits near Mekambo. This investigation, including a survey of a railroad route to the coast near Libreville (about 350 miles) is expected to take two years.

Test borings at Ozouri, 20 miles from Port Gentil, have shown that oil is available in commercial quantities. Production is to start in 1957 at an expected rate of 100 thousand tons a year.

Agriculture Progressing

During the last three years, work has been proceeding on the reclaiming of land between the rivers Logone and Chari, north of Bongor (Tchad). An area of 230 square miles will be made available for agriculture, probably cotton growing. The Tchad territory pro-

duced during the last season (apart from 70,000 tons of cotton) 20,000 tons of paddy rice for local consumption. Further irrigation will raise this figure.

About 1,500 tons of wheat were produced for local consumption, and 5,000 tons of peanuts were grown, 1,000 tons of which were exported. The area is said to be capable of producing 80,000 tons of peanuts a year.

One of the most important industries of the Tchad territory is cattle breeding. It is estimated that 200 thousand head are exported each year, of which only a small proportion is recorded. Fresh meat shipments by air have risen from 67 tons in 1950 to 3,200 tons in 1955, 50 per cent of which was exported. New abattoirs and a refrigeration plant at Fort Lamy with a capacity of up to 10,000 tons a year (financed by U.S. aid) will be completed this year.

Import and Export Picture

The second quarter of 1956 has seen a gradual increase in imports into French Equatorial Africa, particularly of beer, salt, iron and steel, metal products and machines, and petroleum products. The most important imports by volume continue to be machinery, petroleum products, cotton materials, metal products, trucks, sugar, and wine. France and the French overseas territories supplied over 62·4 per cent of the territory's imports (valued at 6½ billion CFA francs), followed by the United States with 8·5 per cent (including foreign aid), the Netherlands Antilles with 4·5 per cent, West Germany with 4 per cent, and the Belgian Congo 3·5 per cent. Canada's sales to the territory in the first half of this year were valued at 793 thousand CFA francs and included flour, canned salmon, and outboard motors. Imports from dollar countries continue to be handicapped by exchange regulations. All dollar imports are under allocation worked out in Paris and for that reason, sales of Canadian goods in the territory will probably not increase to any great degree in the near future.

Exports from this area in the first half of 1956 have shown, in the main, little change when compared with the same period of 1955. Exports of peanuts, however, have almost doubled and those of cocoa and coffee increased in volume but, because of the weakening in world prices, fell below the first half of 1955 in value. French Equatorial Africa's main markets were France and the French overseas territories (70 per cent of total, or 4·6 billion CFA francs), West Germany 12·1 per cent, Nigeria 3 per cent, United Kingdom 2·8 per cent, and the Netherlands 2·5 per cent. Canada's purchases were valued at 655 thousand CFA francs.

The territory's leading exports by value were cotton, wood logs, wood (other), diamonds, and coffee.●

Exploring Business in Boston

THERE IS NO SUBSTITUTE for top-level, on-the-spot appraisal of a prospective export market. Personal acquaintance with potentialities, problems, procedures and customers can spell the difference between success and failure.

A group of businessmen and provincial government officials from the Atlantic Provinces recently acted on this advice and had a first-hand look at one of Canada's promising markets. Under the auspices of the Eastern Division of the Canadian Manufacturers' Association and with the co-operation of the Canadian Trade Commissioner in Boston, they visited the "hub of New England" to see for themselves.

Among the industries represented by the twelve members of the party were eelgrass insulation material, heating equipment, chocolates, hardwood furniture, Irish moss, frozen blueberries, and fish products.

The three-day itinerary included a courtesy visit to the Mayor of Boston, a luncheon with senior officers of two of the city's more prominent banks, a reception at the home of the Canadian Consul General where the group met some 40 Boston businessmen, and a luncheon with 60 members of the Canadian Club, many of whom have family connections with the Maritimes.

A meeting with the Collector of Customs for the Port of Boston District and a bull session led to a beneficial exchange of questions and information. An entire afternoon with the Chief Appraiser of Merchandise provoked a thorough examination of appraisal problems, including a useful fill-in on the provisions of the Customs Simplification Act. In the Appraiser's Stores building the group saw a variety of imported goods being opened and later examined. The Chief Chemist of the Food and Drug Administration proffered some helpful advice to members of the group interested in selling food products.

One morning and one afternoon were set aside for individual business discussions between the visitors and local agents, brokers and buyers.

The group was impressed with the enthusiasm, interest, and cordiality displayed by their New England hosts. They concluded the tour feeling that the program had been valuable, and would continue to bring results in the future. The success of this project may encourage other exporters to get in contact with the Canadian Trade Commissioner and plan a similar trip—or to duplicate this type of export study elsewhere.●

78240—2½

Burma's Trade Languishes

With no rice available to meet increased demand from traditional cash markets in South East Asia, Burma faces severe exchange difficulties. Shifting of trade to the Sino-Soviet bloc means that many western countries, including Canada, have found sales to the Burmese dwindling.

M. P. CARSON, *Trade Commissioner, Singapore.*

THE BURMESE ECONOMY has recovered somewhat since early 1955, when foreign exchange reserves fell dangerously low and open general licences for imports had to be suspended temporarily. A combination of smaller rice sales and greatly increased demand for goods forced the authorities to take this step. Since then, rice surpluses have been moving well but Burma seems to have committed itself to barter all of its rice—at least until the new crop reaches the market. About 80 per cent of the country's foreign exchange normally comes from the sale of rice abroad.

Barter Trade Poses Problems

One of the major economic problems facing Burma stems from numerous barter agreements negotiated with Sino-Soviet bloc countries. When Burma's rice surpluses were increasing to serious proportions and sales were slow, the Government decided that barter trade offered the only solution. The barter agreements which Burma negotiated then are now causing some difficulty. They committed large quantities of rice and Burma could not supply the heavy demand for rice which developed in the cash markets. Consequently, a severe shortage of foreign exchange occurred and there was no rice to satisfy the demand from Burma's traditional markets in South-East Asia.

Most of the barter agreements called for the shipment of capital goods and equipment to Burma. Thus the country, tied to barter deals, experienced a serious shortage of essential consumer goods and prices rose. In June 1956, the Government attempted to halt the rising prices of essentials by announcing an expansion of the Open General Licence list to include coconut oil, dried prawns and fish, onions, tires and tubes, selected building materials, machinery and parts.

Importers and dealers were warned against speculative buying but the foreign exchange reserves were not considered large enough to withstand the drain if imports increased. The Government then dropped its proposal to expand the Open General Licence list and instead offered to go into partnership with Burmese importers to buy scarce goods. This scheme currently is in effect.

Economy Depends on Rice Exports

The barter deals commit Burma to ship all available rice from this year's crop and because rice prices have declined since 1953 the economic position has worsened.

Following World War II, there was a world shortage of rice and prices rose; countries such as Burma, with large exportable surpluses, enjoyed a few years of

—UN Photo

To give added employment to its rural population, Burma, with outside technical assistance, has been developing small and cottage industries, such as pottery-making. Here a block of clay is being sliced; later it will be kneaded by foot.

prosperity. Other countries in South East Asia, however, encouraged home production and the United States and Italy substantially increased their exports of rice and became new competitors in world markets. At the same time there has been a growing tendency for Eastern countries to consume other grains, notably wheat.

This year Burma is expected to ship close to two million tons of rice. This is in keeping with the general increase in the world rice trade which is running some 5 to 10 per cent above that of 1955—one of the record years for rice since the war.

Before the war rice exports were much larger and economists are urging increased paddy rice production because a shortage of Burmese rice is indicated for 1957. But there are limitations to increased production; for example, there is a shortage of farm workers and no Chinese or Indian labour now is available. Conditions are still unstable in certain parts of the country which limits expansion of cultivation and reclamation of former rice lands. Although there are some encouraging signs, it seems reasonable to assume that the prewar figure of rice production will not be reached in the immediate future.

Industrial Development Slows

Burma had embarked upon an ambitious industrialization program but has had to scale it down because of the lack of foreign exchange. Towards the end of 1955 the Government discontinued all development projects except those already started and for which it had agreed to allow equipment purchases. Notable gains, however, have been made in industrialization.

The country expects to attain self-sufficiency in petroleum products this year, except for aviation gasoline and lubricating oils. Output of cement from the Thayetmyo plant has risen but, because of the large demand for new construction, imports are still necessary. Added capacity for sugar mills is expected to expand sugar output beyond domestic needs. A steel-rolling mill, a jute mill, a tea factory, and a pharmaceutical plant are either completed or close to completion; their production will help Burma conserve foreign exchange.

Part of the development program is an 84,000 kw. hydro-electric plant nearing completion at Baw Chaung. A new steam-generator plant will begin operating shortly on the outskirts of Rangoon to meet the increased demand for electricity in the new industrial area.

Although industrialization helps, Burma's economic development depends more on expanding output of her marketable raw materials; timber and mineral production, for example, is far below prewar. There are encouraging signs that these sources of exchange earnings will receive more attention.

Foreign Aid Helps Recovery

To assist in overall economic planning, a great deal of foreign aid is required. Assistance from the Colombo Plan and United Nations agencies has been playing an important role in Burma's development and will continue to be vital. India has offered to lend Kyats 200 million ($40·4 million) to Burma to be converted into sterling currencies and to extend credit for purchases of Indian consumer goods up to a value of Kyats 100 million. Burma still has not taken up the Indian offer.

The United States, under its surplus disposal program, has made available large quantities of cotton to Burma to help relieve the shortage of cotton goods and rising prices; the cotton will be processed in the United Kingdom, Japan and West Germany.

The World Bank has extended a loan of $14 million to improve facilities in the Port of Rangoon and during June and July clearing of the harbour began. The World Bank granted a further loan of $5·35 million to raise the efficiency of the Burmese railways.

These loans and increased aid under the Colombo Plan and United Nations Technical Assistance will greatly affect economic development. Government efforts to expand exports and tighten internal security measures are other decisive factors.

Trade Prospects Not Promising

There is little hope that Burma will allow trade generally to operate freely. The continuing foreign exchange reserve problem makes it imperative for the Government to impose control measures. Burmese-owned importing firms are encouraged by the Government, which grants to them a large proportion of the import licences.

The shortage of dollars means that there are no immediate prospects of increasing Canadian shipments to Burma. Exports amounted to only $480 thousand in 1955 and consisted mainly of automobile parts and semi-fabricated aluminum, totalling over $400 thousand. Canadian sales to Burma in the first seven months of 1956 declined to a mere $59 thousand.

Last year Canada bought only a negligible $7,000 worth of goods from Burma and in the first five months of 1956 no Burmese imports were recorded in Canadian statistics. This same situation is being experienced in other countries because the pattern of Burmese trade has shifted decidedly to the Sino-Soviet bloc with which Burma has negotiated barter agreements. Imports from its traditional suppliers—the United Kingdom, India, Japan and West Germany—have fallen off seriously during the first half of 1956. ●

commodity notes

Australia

WOOL—Wool exports for the period July-September 1956 totalled 222,499,000 lb. valued at £65,653,000—more than £10 million more than for the same period in 1955. Exports to the sterling area rose from 60,410,000 lb., worth £15,271,000, to 63·8 million pounds valued at £18,093,000. Exports to dollar countries fell sharply and earned only £2·6 million compared with £5·5 million in the same period of the previous year. Japan remained Australia's largest wool customer with purchases worth £17·9 million, followed by Britain, £16,829,000—Sydney, Dec. 3.

MINERALS—Australia achieved a record production of minerals in 1955 valued at £198,744,000, compared with £184,218,000 in 1954. Higher prices contributed to this, but increased production of copper concentrates was a main factor. Coal, at £57·9 million, and lead and zinc at £53·7 million were the two leaders. Mineral exports were valued at £71·5 million in 1955 compared with £58 million in 1954—Sydney, Dec. 3.

Belgian Congo

COTTON—Cotton exports during the first seven months of 1956 amounted to 30,273 metric tons, an increase of 40 per cent over those in the corresponding period of the previous year. Total 1956 exports are expected to exceed the record 51,000 metric tons exported in 1950. In value, cotton ranks as one of the Congo's leading exports. To assure remunerative prices to native growers, it is marketed by government-controlled co-operatives—Leopoldville, Nov. 30.

Cuba

CEMENT—The domestic cement industry, currently unable to meet the heavy demand from government projects and brisk private building, is expanding. It is expected that the addition of a new kiln to the Santiago de Cuba plant, which is expected to be in operation this month and to double the mill's present output of 15,000 bags per day, plus the completion of a third mill in western Cuba with a capacity of one million barrels a year, will make the country self-sufficient in this basic building material. Present per capita consumption of 78 kilos is likely to double in the next three or four years—Havana, Dec. 5.

Greece

VINE PRODUCTS—Greece has just harvested record crops of vine products and exports of table grapes (so far more than 9,000 tons) have gone chiefly to West Germany and the United Kingdom. The Ministry of Agriculture estimates that the 1956 crop will consist of 86,450 metric tons of currants, 42,000 tons of sultanas, 436 thousand tons of must and 123 thousand tons of table grapes—Athens, Dec. 2.

Italy

SYNTHETIC FIBRES—A new and modern factory was opened recently at Lake Orta, in northern Italy, to produce Ortalion. This polyamidic fibre belongs to the nylon 6 group and is obtained from a derivative of phenol. Ortalion is used in the manufacture of women's stockings, knitted wear, fine fabrics, fancy fashion fabrics, upholstery fabrics, and textiles for industrial and military use—Rome, Dec. 4.

Jamaica

MEATS—Because of an outbreak of foot and mouth disease in Britain, imports of meat products (other than those in hermetically sealed containers) from England, Scotland and Wales have been prohibited. The U.K. normally supplies close to £20,000 worth of pork products to the Island each year and Jamaican merchants will therefore look to Canada and other sources of supply for their requirements until the embargo is lifted—Kingston, Nov. 29.

COCOA—With the aid of £294,750 supplied from Colonial Development and Welfare Funds, the Jamaican Government hopes to increase cocoa

production from 3,000 to 12,500 tons a year. About 900 thousand cocoa seedlings propagated from the best stock are now being distributed to Jamaican farmers. The seedlings are estimated to be sufficient to plant out at least 3,000 acres and are the first instalment of the government program. A total of 15 million trees will be planted on about 50,000 acres to give the increased tonnage contemplated—Kingston, Nov. 23.

Japan

SHIPBUILDING—Japanese shipyards will not be able to operate at full capacity in 1957 because of a shortage of steel materials. The Ministry of Transportation estimates the available capacity for ships to be started in July 1957 at 878 thousand gross tons, but the steel shortage may mean that construction will be limited to a maximum of 670 thousand gross tons—Tokyo, Dec. 1.

Malaya

RUBBER—Large Malayan rubber planting companies are studying a new process of extraction developed by the Rubber Research Institute. It has been found that the use of stimulants and double cuts may double or treble the yield. Full-scale application of the method of extraction must wait until its effect upon the rubber trees can be ascertained. The research is being conducted to determine the maximum possible rubber production at minimum cost—Singapore, Nov. 25.

Portugal

FERTILIZERS—Consumption of chemical fertilizers reached 654,687 metric tons in the 1955-1956 crop year—an increase of 18 per cent since 1952-1953. Average consumption per cultivated acre in 1955 was 35 lb. compared with 12·8 lb. in 1937. The principal varieties in use are nitrates and phosphates; however, the Portuguese recognize that greater use of potassic fertilizers and lime would be beneficial. It is intended to extend the government subsidy, which applies to nitrates and phosphates, to cover lime for agricultural purposes. Increased use of fertilizers has contributed to higher yields per acre—Lisbon, Nov. 26.

Spain

CITRUS FRUITS—Spain's citrus fruit production shows a serious drop for the 1955-1956 season because of the heavy frosts experienced in February this year. Total production is estimated at 519 thousand metric tons compared with 911 thousand metric tons in 1954-1955 and 1,005,000 metric tons in the 1952-1953 season. Exports of oranges for the period January to May 1956 amounted to 296,906 tons, valued at 64·8 million gold pesetas, compared with 680,133 tons valued at 188·7 million gold pesetas during the same period of 1955. This year's lemon crop is estimated at 11,000 to 13,000 tons compared with 35,000 in the previous season—Madrid, Dec. 4.

Sweden

AUTOMOBILES—General Motors and the Ford Motor Company are closing their assembly plants in Sweden. The reason is the general preference in Sweden for small cars which are readily available from European factories which have recently been expanded—Stockholm, Dec. 7.

CALCULATING MACHINES—A new company financed by United States interests has been formed in Sweden to produce electronic calculating machines for sale in the European market. Textile mills in the city of Norrkoping, which are experiencing difficulties, have been purchased as a site for the new factory—Stockholm, Dec. 7.

United Kingdom

TELEVISION SETS—Although sales of television sets in the United Kingdom in the first nine months of 1956 were 4 per cent higher than in 1955, production was 22 per cent down from last year. Output for the first three quarters of this year has totalled 961 thousand sets, compared with 1,233,000 sets in the corresponding period in 1955. Production of all types of radio receivers, at 1,020,000, was down 18 per cent compared with the first nine months of 1955—London, Dec. 6.

United States

IMPORTED CARS—Imported cars are selling well in the United States this year—sales in the first six months, at 43,400 units, were 69 per cent above the same period last year. Although this represents only 1·7 per cent of U.S. car manufacturers' sales in the first half of this year, it is nearly double the share of the market that foreign cars enjoyed in 1955. More important is the fact that foreign manufacturers have been able to increase their business although domestic manufacturers are running 10 per cent below last year. In times past British makes dominated the foreign car market but now Germany's Volkswagen is setting the pace. Altogether there are more than 50 makes of imported cars in the field—New York, Dec. 7.

Markets for Plastic Raw Materials

AUSTRALIA—*Primary plastics industry well-developed and expanding but large amounts of imported PVC, polystyrene, and polyethylene still required. Market limited by dollar import restrictions but leeway permitted if there is price advantage in buying from Canada.*

AUSTRALIA'S PLASTICS INDUSTRY has expanded rapidly since the war and offers a worthwhile market for exporters of the raw materials. Currently, investment in plants turning out primary plastics is high and there has been a pronounced expansion in the industry over the past five years.

Some of the more important materials not produced before the war and now manufactured in Australia are: urea and melamine moulding compounds, phenol formaldehye, resins and resin solutions, polyvinylchloride, cellulose acetate, and polystyrene.

Australia also exports some plastic raw materials to adjacent markets and sales, although small, are rising steadily.

Need for Imports Continues

It is likely that Australia will continue to be a market for certain types of primary plastics—particularly for the ones she cannot produce economically because of market limitations. The demand for plastic products of all types has been rising steadily and annual Australian consumption is estimated at five to six pounds per capita, compared with 10 pounds in the United Kingdom and 24 pounds in the United States. The industry now employs about 7,000 persons and the annual value of output exceeds £A18 million. The scope for expansion of the industry is great but local production of primary plastics will rise also to meet most of the needs.

Although Australia is moving towards self-sufficiency in all the more common polymers, she imports at least small amounts of all the common primary plastics; in the case of PVC, polystyrene and polyethylene the amounts are substantial. Sterling area countries supply most of the polymers not produced locally as well as the copolymers and monomers, basic chemicals, and other materials required by the primary plastics industry. Indigenous raw materials are used, where possible, to manufacture most of the common polymers, although considerable quantities of urea, melamine, cellulose, styrene copolymers, calcium carbide, pentaerythritol, natural gums, and higher alcohols have to be bought abroad. The main primary plastics imported by Australia during the 1955-1956 fiscal year are listed below:

PLASTIC RAW MATERIAL IMPORTS

(1955-1956 fiscal year)

	Quantity (pounds)	*Value (£A)*
Polyethylene resin	4,671,405	937,330
Acrylic type resins	1,621,625	610,970
Styrene type resins—moulding powders	3,760,484	597,595
Styrene type resins—other than moulding powder	1,080,784	122,563
Modified polystyrene	622,589	117,662
Cellulose acetate (excluding cellulose transparent paper)	766,148	409,724
Films, sheeting or sheets produced from synthetic resins, supported with textile fabric or printed, polished or embossed	3,421,461	386,608
Polyvinylchloride—moulding powder	2,757,555	346,795
Polyvinylchloride copolymers	2,437,764	331,439
Polyvinylchloride—other than moulding powder	1,786,765	208,549
Polyvinylidene type resins	1,119,197	190,003
Vinyl type resins n.e.i.	562,021	103,426
Resins, synthetic, n.e.i.	1,620,266	342,181
Cellulose acetate butyrate moulding powder	660,511	182,037
Cellulose nitrate	418,428	149,903

The United Kingdom was the largest supplier of the plastic raw materials listed above; British sales to Australia exceeded those of all the other countries combined. The United States, Germany and the Netherlands also participated in the trade in a substantial way; Canada, Italy and Japan gained an important share.

Imports from Dollar Area Limited

The severe import restrictions currently in force in Australia limit imports of plastic raw materials from the dollar countries. Generally, if plastic raw materials are available from domestic sources of supply and from soft currency countries, import licences are not granted for purchases from dollar countries. Because plastic raw materials are in a special category, the Australian import licensing authorities permit importers some leeway in choosing their sources of supply. If there is a definite price advantage in buying Canadian plastic raw materials, import applications receive careful consideration.

Interested Canadian firms should approach either the Department of Trade and Commerce in Ottawa or the Canadian Trade Commissioners in Australia when they have primary plastic materials available for export. The Australian market is expanding and this growth should continue over the next few years.

—J. C. BRITTON,
Commercial Counsellor, Sydney.

NEW ZEALAND—*The local plastics industry enjoys low tariffs and relative freedom from licensing requirements when it buys plastic raw materials abroad. The market is expanding and offers opportunities for the Canadian manufacturer of primary plastics.*

THE MARKET IN NEW ZEALAND for plastic moulding powders is growing and Canadian exporters whose products compete in price and quality could increase their sales. Although restrictions on dollar imports continue, the Government freely grants dollars for purchases of moulding compounds and certain resins in paste or liquid form. The United Kingdom is by far the largest supplier of primary plastics, followed by Australia and the United States; Canada has not participated in the trade to any great extent.

The rapid development of the domestic plastics industry, which now supplies most of the demand for finished goods, has expanded the market for plastic raw materials. In this country of just slightly over two million people, there are more than 40 firms engaged in the industry and using more than £1 million worth of plastic materials a year. Goods turned out include kitchen and tableware, toys, buttons, refrigerator components, garden hose, polyethylene film, laminated plastic sheet, electric switches, plugs and plastic-coated wire and cable.

Except for casein, all plastic raw materials used in New Zealand are purchased abroad. One manufacturer produces his own moulding powder from phenol and other imported materials, but uses all of it in his own factory. The following table gives total imports of primary plastics for 1955 and the first three months of 1956. (A breakdown of these figures by country of origin is available from the Chemicals Division, Department of Trade and Commerce.)

	1955		*Jan.-March 1956*	
	Cwt.	*£(N.Z.)*	*Cwt.*	*£(N.Z.)*
Thermosetting resins—in powder, flake or other dry form	55,649	672,909	13,038	155,214
—in paste or liquid form	7,958	80,351	3,399	37,370
Thermoplastic resins—in powder, flake or other dry form	34,316	410,376	6,766	85,683
—in paste or liquid form	20,483	199,222	1,614	21,225

The thermosetting moulding powders in the above table include casein, phenol formaldehyde, urea formaldehyde and melamine formaldehyde. The thermoplastic category comprises cellulose acetate, polyethylene, methylmethacrylate, polyvinylchloride and polystyrene.

Fewer Restrictions on Primary Plastics

The New Zealand plastics producers have indicated in their submissions to the Tariff Board that they prefer the current policy of a low tariff and liberal import licensing for primary plastics. At the same time, they are anxious to maintain adequate protective duties and restrictions on imports that compete with their finished goods.

The customs tariff on synthetic plastic raw materials is 3 per cent for all countries, with one or two minor exceptions. This rate applies to all forms including powder, rod, sheets and tubes. All plastic moulding powders are exempt from licensing for import from any source. For partly manufactured synthetic resins such as urea formaldehyde in solution, a licence is required if it is bought from a country outside the sterling area. Dollar licences are sometimes granted when the importer can prove that he would receive a reasonable advantage in quality and price if he purchased from a dollar country.

The tariff and import licensing regulations are much more restrictive when it comes to finished plastic

products. In the customs tariff the goods are not normally classified separately, but are included in the item which relates to the particular commodity. Nearly all finished goods are subject to licensing and with a few minor exceptions, licences are not granted for imports of plastic articles from any source.

The New Zealand plastics industry will continue to emphasize the manufacture of finished goods from imported raw materials. Although an affiliate of Polymer Corporation Pty. Ltd., Australia is now putting up a plant to produce a wide range of synthetic resins, the need for overseas supplies of raw materials will increase for some years to come.

—J. MacNAUGHT,
Assistant Commercial Secretary, Wellington.

SOUTH AFRICA—*Best market here is for phenol and urea formaldehyde thermosetting moulding compounds. Domestic industry mainly fabricates finished plastic goods; primary plastics output limited to polyvinylchloride.*

SOUTH AFRICA'S PLASTICS INDUSTRY offers a growing market to Canadian exporters of plastic raw materials. Only polyvinylchloride is produced in the Union at present by a subsidiary of Imperial Chemicals. The remaining primary plastics needed are imported mainly in the compounded form; exceptions are raw materials required by the plastic tile manufacturers and a few other firms which mix their own powders for moulding and extrusion. Most basic plastic materials are exempt from Customs duty and foreign exchange is made available freely to enable manufacturers to buy from whichever country offers the best price. Canada suffers no competitive disadvantages either from tariffs or import controls.

Local Industry Favoured

The plastics industry was started in 1932 with the founding of the first firm; today there are over 30 fabricators (excluding manufacturers of wire and cable) and the number is still growing. Wartime shortages gave an impetus to the industry which was later accelerated by the imposition of import control. One handicap is the rather small market, which has forced processors to concentrate on the products which are consumed in quantity; many firms are forced to combine custom and proprietary moulding to obtain a profitable volume of business.

A survey made for the year ended June 30, 1954, showed investment in the industry—covering land, buildings, equipment and operating capital—at more than £2 million, but only 12 of the 30 firms owned their own premises. The total number of employees was about 2,000 and nearly 85 per cent of the factories had fewer than 100 workers. Production for the period under review was valued at £2¼ million but judging by the increase in raw materials used since then, should now be about £4 million.

The local manufacturer of plastic articles has several advantages over his foreign competitors. In addition to the customs tariff, the foreign exporter must surmount the barrier of high freight rates and landing charges and in some cases inland freight costs, particularly to the Union's major market in the Johannesburg area. Labour costs are low which is especially important in the finishing and sanding operations but costs are high if an intricate assembly is necessary.

Materials Used

Thermosetting moulding plants, using mainly phenol and urea formaldehyde, consumed the largest amounts of compounded plastics. Polystyrene was the next in importance, followed by the natural resin, shellac, and then by vinyl polymers, polyethylene, and cellulose acetate. However, polyvinylchloride is used in bulk by the plastic tile and other industries in the polymer form, and taking into consideration its consumption by the cable and leather cloth industries, is the most important plastic used.

The 30 plastics firms reporting in the 1953-54 survey of the industry gave their consumption of compound plastics at that time as follows:

Phenol formaldehyde	1,414,773	lbs.
Urea formaldehyde	508,137	"
Polystyrene	786,000	"
PVC and vinyl copolymers	287,000	"
Polyethylene	161,861	"
Cellulose acetate	121,554	"

Since then nylon has come into use; one firm is extruding fishing line and also rods which are sold to processors for the manufacture of bearings, silent gears, and so on; another factory is making nylon combs by injection moulding.

Consumption of polyethylene and polyvinylchloride is increasing, especially for making pipes and tubes. There are four firms using the calendering process to manufacture tiles and a fifth should begin production soon; one firm uses the slush moulding method.

Import statistics for 1953 and 1954 are available for the Union but, unfortunately, do not indicate the specific plastic materials. Exporters who would like details of quantities and country of origin should write to the Chemicals Division, Department of Trade and Commerce, Ottawa.

The South African Customs classifies plastics imports as follows: celluloid in sheets or rolls; other artificial plastic materials in blocks, slabs, tubes, rolls, and sheets; celluloid in other forms; plastic, other, in powder, granular or flake form; other plastic in any form; nylon monofilament; plastic piece goods; plastic manufactures, not elsewhere specified; resin, synthetic or artificial, compounded with films or fabric in sheets, bars, rods, and blocks; resins, natural, dry resinous gums and dry shellac; resins, artificial and synthetic.

Future Appears Good

Some sections of the industry have an assured future in the event of the removal of import control, but others may be affected adversely, particularly companies which make a wide variety of products such as toys. They will face severe competition, especially from the Far East. The tendency for newer firms is to produce plastic articles which are consumed on a large scale domestically, such as components for industry.

South Africa's continued economic expansion offers a bright future to the plastics industry and with it an excellent opportunity for Canadian exporters to sell the raw materials which it requires. Competition, however, is keen in this wide-open market and price is the dominating factor.

—A. WORDEN EVANS,
Trade Commissioner, Cape Town.

FEDERATION OF RHODESIA AND NYASALAND—*This area offers small market for moulding materials, primary forms, and plastic goods. As output rises and prices fall, market for primary plastics should expand.*

PLASTIC MATERIALS ARE IMPORTED into the Federation in blocks, sheets, rods, tubes, powder, chips and other primary forms for further processing, but there is no market for monomers and raw plastics. Compounded plastics and calendered sheets for further manufacture comprise the major imports.

The following table will give the exporter some idea of the extent of the market and will show that several countries share in it. The figures are for plastics in any form and represent imports for the first six months of 1956; unfortunately information about the specific type of plastics included in the totals is not available.

Country	*Quantity (pounds)*	*F.O.B. Value (£)*
United Kingdom	181,611	19,051
United States	103,606	11,438
Union of South Africa	60,339	5,428
Italy	6,772	475
West Germany	4,409	250
Canada	779	165
Total	357,516	£36,808

Many kinds of plastic goods are produced in the Federation and plastic materials currently used are:

Polyethylene—for piping, layflat tubing, blow film, extrusion, and moulding.

Polystyrene—as sheets and compounds for moulding.

DUTIES ON PERMITTED PLASTIC IMPORTS

Tariff Item No.	Goods	*Countries not receiving most favoured treatment, e.g., Japan and USSR*	*Most favoured nations, e.g., United States*	*Self-governing countries of British Commonwealth e.g., Canada*	*U.K. and South Africa for certain commodities*
188	Synthetic plastic moulding materials in block, powder or similar primary form	10%	5 %	free	free
	Polyethylene, polyvinylchloride	5%	free	free	free
72(3)	Plastic sheeting, strip pliable: in the piece or in the length for further manufacture	40%	20 %	20%	10%
	When imported for bag, trunk, suitcase, or leather work manufacturing industry	35%	15 %	15%	3%
331(b)	Laminated sheet (Lindica, Arborite, etc.)	30%	22½%	20%	10%

Polyvinylchloride—miscellaneous extrusion and moulding, also used for welding.

Cellulose acetate—for moulding mainly, small amounts for sheeting, and some for vacuum forming.

Phenolics—for compression moulding of small novelty items, ashtrays, etc.

Many Kinds of Goods Manufactured

African consumers in the Federation are responsible for the fairly large demand for novelty goods: plastic goods such as wallets, purses, comb and mirror sets, and cheap belts sell well. These products are manufactured in Salisbury from imported sheet and rolls, at prices well below those offered by outside competitors.

Plastic radio cabinets are moulded in Bulawayo by a large radio firm. It also has its own pressing plant for making knobs and other plastic components for its radio sets.

Garden hose is another Federation product turned out in large quantities and tobacco growers and market gardeners use it extensively. Sales of this hose for industrial purposes are brisk because the price is low and it easily undersells imported types.

The table on page 13 shows what plastic materials are permitted entry from dollar countries and the duties applicable.

At present, imports of finished plastic goods from dollar countries are not permitted. However, imports of plastic materials from Canada are much smaller than from the United States.

The future for the local plastics industry looks bright and prices should fall as more modern techniques are evolved and greater output achieved. When plastics become cheaper, the Africans, who form the largest purchasing group in the Federation, will be able to buy more plastic articles than at present. This area should develop into a good market for primary plastics.

—E. G. McKRILL,
Office of the Trade Commissioner, Salisbury.

BELGIAN CONGO

THE RATHER SMALL PLASTICS INDUSTRY in the Belgian Congo is currently limited to the output of two plants turning out insulators, belts, insulating sheathing and wrapping, and tubes; a new firm just established will manufacture general plastic articles. There are plans to set up another plant to fabricate insulating sheets, tubes and sanitary articles but so far nothing has come of them. The Congo does not produce any plastic raw materials; recent attempts to manufacture phenol formaldehyde have fallen through because costs were too high.

Plastic Imports

The country's statistics do not identify the various plastic materials imported, classifying them only as condensation products, polymerization products, cellulose derivatives, natural resin products, and other artificial plastic materials and artificial resins. Purchases of these primary plastics* in the first five months of this year totalled 1·6 million pounds. Belgium was the main supplier (654 thousand pounds) followed by West Germany (420 thousand), United States (246 thousand), and the United Kingdom (209 thousand); Canada's share was insignificant. Largest demand is for the polymerization products which include polyethylene and derivatives, polystyrene, polyvinylchloride, acetate and polyvinyl derivatives, and acrylic and metacrylic derivatives.

Local Industry Needs Development

The local industry has a long way to go before it can meet the diverse demand for plastic products such as protection equipment, clothing, table utensils, materials used in making lamps, pharmaceutical capsules, boxes, and washers. The Africans are gradually acquiring more purchasing power which would seem to offer scope for expansion. Canadian exporters should note that there are few restrictions on imports into the Belgian Congo. Import licences are granted freely for most products without regard to country of origin and customs duties apply equally to imports from all sources.

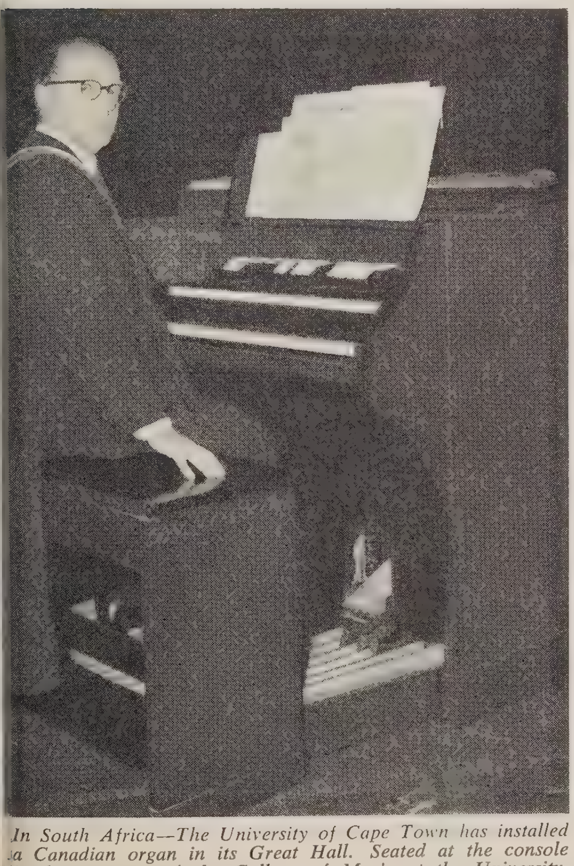
—K. NYENHUIS,
Trade Commissioner, Leopoldville.

* More detailed statistics are available from the Chemicals Division, Department of Trade and Commerce.

Canada in Foreign Markets

Canadian exporters are invited to contribute to this series photographs of their products in use or on sale in foreign markets. Photographs should be adequately captioned, protected for mailing, and addressed to: The Editor, "Foreign Trade".

In the United Kingdom—When British children enjoy an ice cream treat, chances are they lick it up from Canadian wood. the ice cream sticks on the far left came from Canada.



In South Africa—The University of Cape Town has installed a Canadian organ in its Great Hall. Seated at the console is the Director of the College of Music at the University.

In Lebanon—A welcome sight to motorists on Lebanese mountain roads is this Canadian snowblower. Four are in use on the Beirut-Damascus highway and the roads to skiing resorts.

In the Antarctic—This United States Navy airplane, taking off from Little America on a search and rescue mission, is one of nine ordered from Canada for "Operation Deep Freeze".

Brazil

The Market for Automotive Parts

Canadian sales of automotive parts are declining as government fosters growth of domestic automobile and parts industry. Certain types still bought abroad, but next five years will probably see sales shrink further.

G. F. OSBALDESTON, *Vice Consul and Assistant Trade Commissioner, Sao Paulo.*

TWO FACTORS are currently limiting Canadian sales in the Brazilian market. One is the present foreign exchange system (see *Foreign Trade* of July 21, 1956, page 8, for an explanation of this system). The other is the increasing industrialization of Brazil, which is influencing the import pattern. And this factor will continue to present Canadian exporters with a problem and a challenge even when foreign exchange difficulties have been overcome.

Both the extent of Brazilian industrial growth and the effect on imports are graphically illustrated by the progress made by the automobile parts industry in the past six years. The following table, for example, shows how imports of parts from Canada have fallen off:

CANADIAN AUTOMOBILE PARTS EXPORTED TO BRAZIL

Year	*Value ($)*
1950	21,205
1951	512,143*
1952	599,185*
1953	56,998
1954	28,436
1955	1,993
1956 (January to June)	1,563

Domestic Industry Develops

The most important influence in this decline in sales has been the emergence of a domestic automobile and parts industry. In July 1953 a member of a Government Commission studying the Brazilian automobile industry stated that at that time it could supply 40 per cent by value of automobiles manufactured in Brazil. It was estimated that by 1956 this figure could rise to 65 per cent. However, steps were not taken at that time to achieve this goal.

On June 16, 1956, Government Decree No. 39.412 was passed which detailed the basic regulations governing the creation of a Brazilian automobile industry and established a government body which is called the Executive Group of the Automobile Industry. This group is to implement and supervise the laws regulating the industry.

On July 12, 1956, Decree No. 39.568 and Decree No. 39.569 were signed by the President. These set out in detail the regulations governing the planned growth of that part of the industry producing jeeps and trucks.

According to Decree No. 39.568, the national producers of trucks must achieve, by the date noted, the following goals, expressed as a percentage of the weight of the parts manufactured in Brazil:

December 31, 1956	35 per cent
July 1, 1957	40 " "
July 1, 1958	65 " "
July 1, 1959	75 " "
July 1, 1960	90 " "

Decree No. 39.569 established a similar schedule for producers of jeeps:

December 31, 1956	50 per cent
July 1, 1957	60 " "
July 1, 1958	75 " "
July 1, 1959	85 " "
July 1, 1960	95 " "

On July 30, 1956, a similar decree, No. 39.676-A, was passed establishing the following schedule for pick-ups, light trucks and vans:

December 31, 1956	40 per cent
July 1, 1957	50 " "
July 1, 1958	65 " "
July 1, 1959	75 " "
July 1, 1960	90 " "

* Export of over $8 million worth of Canadian-built automobiles in 1951 and nearly $4 million in 1952 accounts for the very large shipments of parts in these years.

These decrees also state that producers may import the parts necessary to complement national products at a special exchange rate as compared with general importers of parts.

In this way the local automobile industry, which has an approved plan of progressive industrialization, has been given a schedule of expected progress. Obviously, to meet such a schedule there must be a great expansion in the local parts industry.

Automobile Parts Industry

According to statistics released by the Syndicate of the Automobile Parts Industry, Brazil has 843 factories producing automobile parts. These factories are classified as follows:

Types of Factories	*Number of Factories*
Metallurgical and mechanical	404
Cork, asbestos and cardboard parts	13
Rubber	54
Electrical material	26
Batteries	17
Glass	12
Tires	13
Upholstery	21
Fluids, paints and waxes	52
Accessories	41
Bodies, trailers, dump trucks, etc.	165
Semi-finished products	25
Total	843

Today there are some 350 different types of automobiles and trucks in Brazil, and the economic production of local parts for all types is obviously impossible and only parts for the more common vehicles are turned out. If the local industry could count on a steady demand for a relatively standard type of part, as can be expected under Instruction 127, then it could build on a firmer base. This should result in better parts at lower prices. Many segments of the parts industry cannot function economically when they depend solely on a replacement market. This is true of factories for wheels and hubs, roller bearings, king pins and pins, carburetors and hydraulic brakes.

Regulations Governing Imports

Parts dealers may import all kinds of automobile parts into Brazil but the great majority of them are classified in the fifth category. Usually this means that the parts are manufactured locally. The import of a fifth category part to compete with a locally manufactured one is completely uneconomic.

Those parts not classified in the fifth category may be imported by parts dealers in the third category. The cost of such parts is high but there is usually no local manufacture and thus a limited opportunity.

Parts which can be imported in the third category include sparkplugs, steering knuckles, transmission and differential gears, windshield wipers and blades, crankshafts, connecting rods, gasoline motors, relays and voltage regulators, generators, armatures, fuses, wheel cylinders, clutch discs, bearings, sealed beams, six and twelve-volt lamps, vacuums, carburetors and woven brake linings. It is impossible to give a complete list but possible to determine into what category a given part falls for purposes of import.

At the present time when a local importer of automobile parts applies for an import licence from the Bank of Brazil, the request is transferred to the "Syndicate of the Automobile Parts Industry and Similars". This body determines whether the parts are manufactured locally and advises the Bank of Brazil accordingly.

The import of automobile parts is further complicated by the fact that many parts are brought in outside of the regular channels.

Future Outlook

Within the next five years nearly all types of parts will probably be manufactured locally. Only a few items involving some element not present in Brazil—such as a large market, special steels or heavy capital expenditures—will be imported.

Switzerland Sells More Watches

Switzerland's famous exports, watches and watch parts, earned S/frs.93·6 million more in the first nine months of 1956 than in the same period of 1955. Of sales worth S/frs.829·1 million, finished watches accounted for S/frs.577·5 million. Sales to European countries, at S/frs.240·6 million, were 5 per cent higher than last year. Larger purchases by West Germany, Austria, France, Italy, the Netherlands, the United Kingdom, Norway, Finland and Greece more than offset the drop in exports to Spain, Sweden, East Germany, Poland, Czechoslovakia, Hungary and Yugoslavia. Deliveries to African countries were stable at S/frs.53·9 million; those to Asian countries were more than four times as large as in the same period last year—S/frs.165·5 million compared with S/frs.34·6 million.

Switzerland upped its sales in the western continents too: United States imports of Swiss watches were worth S/frs.238 million, compared with S/frs.202 million during the first three quarters of 1955. A decline in sales to Colombia, Venezuela, Brazil and Bolivia was fully compensated by higher sales to Argentina, Mexico, Uruguay and Peru. Swiss watch exports to Canada during the first nine months of 1956 reached a value of S/frs.32·1 million, or S/frs. 1·6 million more than in the same period of 1955. On a per capita basis, Canada is one of Switzerland's best markets for watches and parts.

Internal Management Problems in Export

What is the most efficient way to ensure steady production for export? In what different ways can a company organize to handle export orders? How can the export man gain management's support? These and other problems are discussed in this article, twentieth in our current series on the techniques of export trade.

IVAN E. LENARD,
Export Sales Manager, Canadian Breweries Limited.

DOES THE EXPORT MANAGER enjoy the same standing and receive the same co-operation as the domestic sales manager? Frequently we hear the complaint that he does not. We hear too of companies which short-ship export orders or even refuse them altogether to satisfy domestic needs.

It is only common sense for any business organization to put first things first, but many are apt to forget that export sales can be built only on a record of steady, dependable supply. These problems become acute when domestic shortages persist and the supplier finds himself in a buyers' market.

Planning Export Production

One of the most difficult tasks of management is to reconcile conflicting export and domestic claims when production facilities are taxed to capacity. In some organizations where domestic and export products are identical, the problem is solved by reserving a predetermined percentage of total output to service export demand. Several manufacturers reserve part of their total production for new market development and a substantial proportion of this can be earmarked for export.

Complications arise, however, when export needs require changes in product design or engineering. Under such circumstances, export orders have to be routed through the plant and this may involve important, and in many cases complex and costly, changes in normal production routine. Such alterations on manufacturing equipment can result in production losses which, if properly charged against export, could make the company's products non-competitive in foreign markets. Thus a great deal of planning is required at the early stages, before export business is solicited, to ensure available plant facilities to process foreign orders. Frequently manufacturers gear production to seasonal peaks and find certain months in the year when special orders can be handled without interrupting seriously the normal flow of production. Export orders in slack seasonal periods can help to balance output and carry fixed overhead charges.

In many instances the Canadian season is the reverse of peak periods in foreign lands. Our summer coincides with winter in the Southern Hemisphere. Therefore it is often possible to produce goods in seasonal demand for export at a time when domestic requirements are at their lowest.

Some companies are able to plan their export production ahead in anticipation of later foreign business. Thus they can manufacture export orders when it is most convenient and when it interferes least with regular domestic production.

The success of a plan of this nature depends on unfailing executive support carried through all levels of control in the organization. If the control is left in the hands of the export executive without full support from the top, misunderstandings and functional organization problems are bound to appear.

Achieving Executive Support

This executive support can be achieved through export committees and departmental organization illustrated later. Nevertheless, the export executive will have to use tact and ingenuity to keep up the interest in export among senior executives. He can achieve this by urging market visits on the part of management personnel and by circulating up-to-date market reports among policy-level executives. These executives should have the opportunity to meet foreign distributors when they call at head office. Copies of letters and reports from foreign distributors indicating changes in trends, suggestions for improvement in design, and commercial intelligence on the activities of competitors should always be circulated to keep management fully informed. Copies of significant speeches, statements and articles on export and information on opportunities in foreign markets should be brought to the attention of management.

Organizing for Export

The proper organization of the central export headquarters is by far the most important step. If the export department is not put into proper working order and is not adequately staffed with qualified personnel, all management's goodwill will not succeed in exploiting export opportunities.

In most organizations the work is administered at headquarters by distributing export business on a functional basis among the personnel already engaged in the same type of domestic task. The company uses the personnel setup as it exists and attempts through the export executive to give foreign trade its proper balance and attention. In many such cases the domestic sales manager, who is the direct superior of the export manager, supervises export sales. The treasurer handles financial arrangements and the credit man devotes part of his time to export credits. No special arrangements are made for documentation, packing, advertising or other functions.

This plan is simple, flexible, and economical, although the efficiency with which the foreign work is conducted depends to a great degree on the personality and diplomacy of the export executive. He accepts the responsibility for instilling a proper degree of interest and enthusiasm for export and his tact and personality may determine how successful he will be in obtaining co-operation. Domestic demand and shortages will influence the dealings of the foreign department a great deal and will necessitate constant changes in standard department policy.

The difficulties of the export manager in such an organization are obvious. He must suggest to capable —but in some cases experienced but uninterested— fellow officers in the company precisely why and what changes are necessary in product and procedure to meet the demands of foreign trade. Production methods which, after tedious effort, have been standardized may have to be changed to provide for export needs. The traffic manager, who may have worked out to a science the methods of packing and routing for safe and economical movement in domestic trade, has to begin anew in the preparation of export shipments. Thus the success of this plan of organization depends upon the ability of the export manager to persuade his colleagues to recognize the peculiarities of export trade.

Executive control over foreign business is imperative. The export manager is not left entirely on his own resources when the president or senior vice-president is vitally interested.

Where export trade absorbs only a small percentage of total output, or in small firms, the feature of economy sounds very attractive. In some organizations domestic and export business are identical and a high degree of specialization is not needed. Several manufacturers train nearly all employees to handle both export and domestic orders, because they believe that greater efficiency results from this interchange of functions than from the employment of a specialized foreign trade staff. Moreover, there is the guarantee of more even employment because a recession in one line may have no serious effects on personnel.

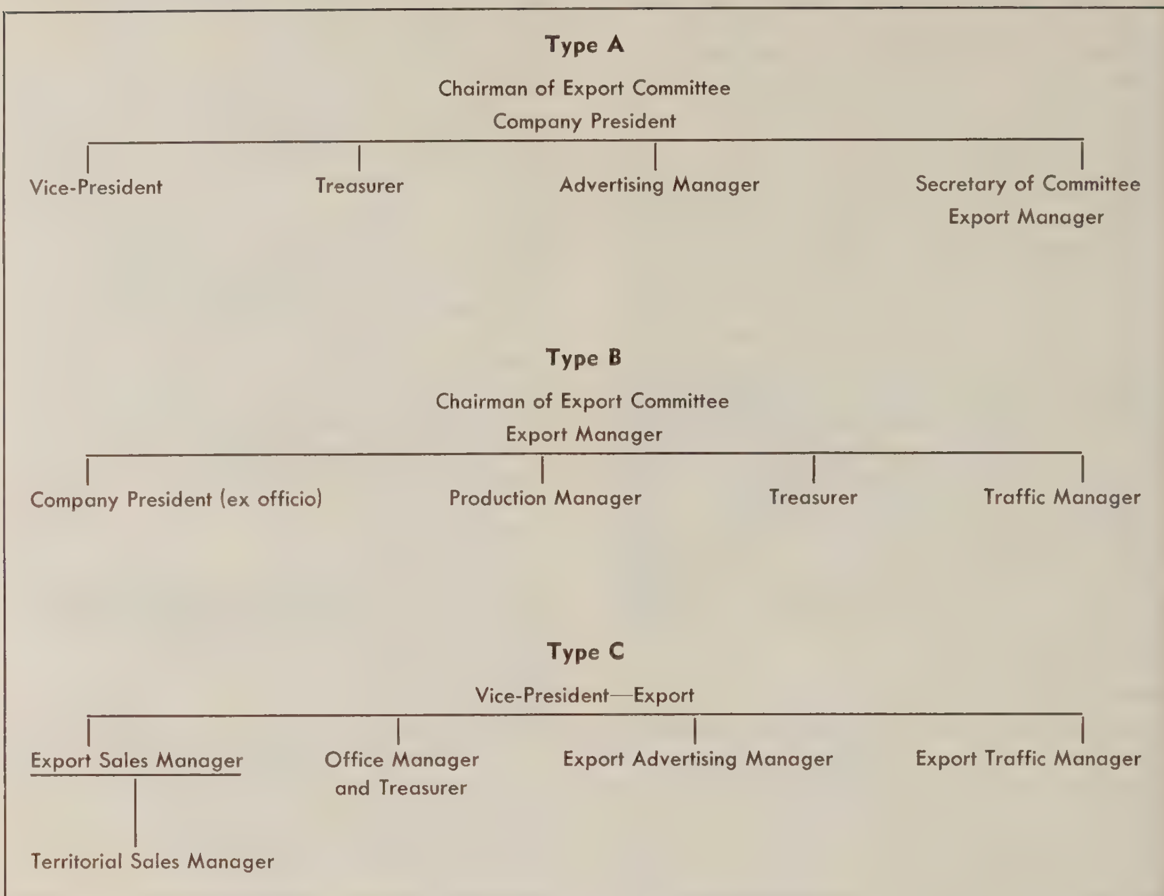
Establishing Export Committee

Some companies control foreign trade through a committee of department heads or officials. Such an export committee may, for example, consist of the president, the export manager (who can also be chairman or secretary of the committee), the treasurer, the production and advertising managers. This committee determines matters of policy and it is left to the export manager to instill the foreign trade spirit and co-operation necessary for the active promotion of the export program.

Some typical export committees are illustrated in the charts on page 20.

One can assume that the export manager has a great deal more authority in Type B than in the Type A committee organization. Large companies, however, with a separate export department or export sales subsidiary would probably operate with an export committee Type C.

Types of Export Committees



In this company, the vice-president of export supervises the complete foreign operation. All functions, with the exception of production, are under the control of the export department and this means greater specialization and concentration. The foreign business of the company and profits may be more accurately measured. Errors are less likely to creep in and aggressive promotion of export is assured.

Setting Up Export Department

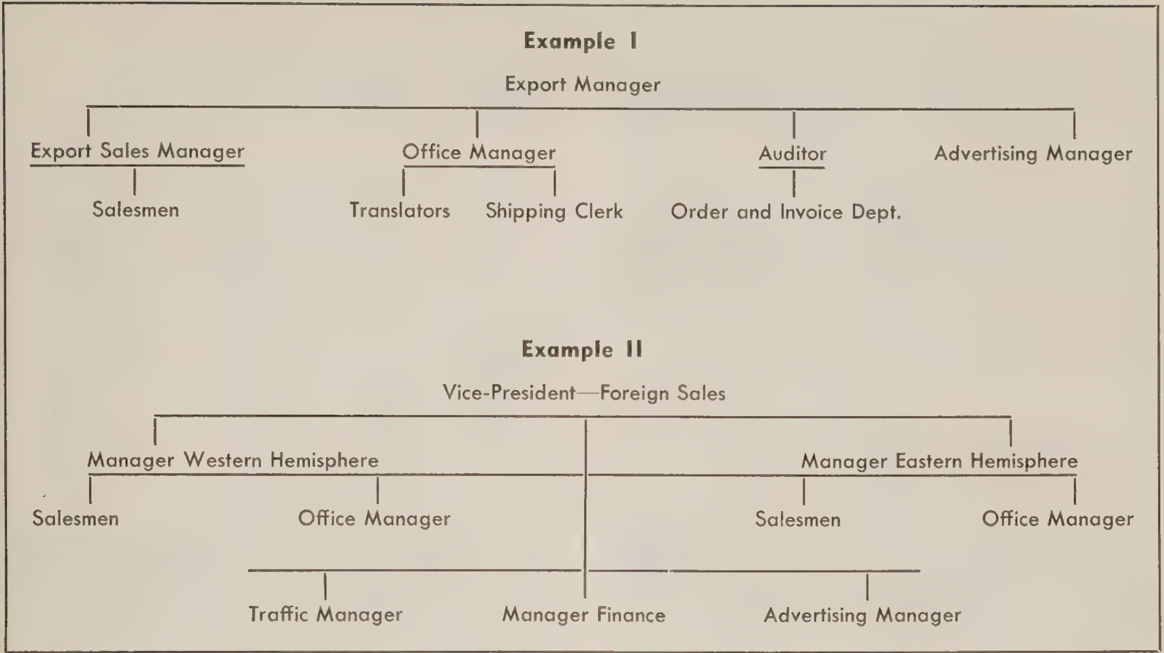
Companies enjoying considerable export volume as a rule prefer a separate export department or a subsidiary export sales company. The separate export department, in comparison with the built-in department discussed earlier, performs all export functions with the exception of production. The number of divisions and personnel depend upon the volume of sales.

The department is under the supervision of the manager, although not infrequently a vice-president or general manager is in charge. In this organization, the manager controls all foreign sales; he selects and trains all salesmen who work in conjunction with foreign distributors. The manager is responsible for advertising, pricing, credit, foreign licensing arrangements, etc. All correspondence (and advertising which requires translation) is handled by a staff of translators. Orders are filled, packed and shipped by the export shipping clerk. All accounts of the export department, as well as records with branches and distributors, are kept by an export auditor. The auditor prepares bills and drafts on the invoices prepared in the invoicing department and is responsible for the collection of foreign accounts. Thus this export department is autonomous in every respect.

Forms of Specialization

The export department in another company emphasizes territorial specialization. The product may be one frequently purchased by foreign government officials. Close contact with the foreign purchasers is required.

Types of Export Departments



The department might be in charge of a vice-president-foreign sales. Two sales managers are in charge of broad territories. All the details are handled in the respective geographical departments. Credits and financing are especially important in such an organization because individual orders involve large sums of money. This work is handled by the finance department in collaboration with the vice-president-foreign sales and the sales managers concerned.

Forming a Selling Company

The second way in which the foreign work of a company may be entirely separated from domestic operations is to establish a distinct selling company. The parent company then goes about billing the selling company in much the same manner as it does other customers. Often the selling company takes on the name of the parent concern—e.g., XYZ Export Co.

This subsidiary takes over and conducts the entire foreign trade of a company. The selling company buys at prices agreed on with the parent firm, pays the latter for the purchases, and endeavours to show a profit. The prices may be at cost or they may include a small profit to the parent company.

The reasons for adoption of this plan of operation are various. First of all, it means the concentration of executive control in the hands of responsible, experienced officials. The export executives of the selling company possess greater authority and responsibility than under any other plan. In addition, all possibility of conflict between domestic and export interests or personnel is eliminated. Furthermore, one of the greatest advantages of the separate selling company is the facilities provided for determining accurately the profit or loss the export business yields. Overhead which was charged against the entire business, but which was not properly attributable directly to foreign sales, can be eliminated. This may mean showing a greater profit on export than the company ever realized before.

There may be other advantages to a separate selling company. Tax advantages may be one; the chance to secure sales agencies for other non-competitive products another. Facilities may be provided for selling abroad without violating foreign anti-dumping laws.

Making Final Decision

The final decision on the organization depends upon the products sold as well as upon the policy of the company. Certain tax advantages must be taken into account when the income tax laws consider the entire capital or profits of a company for taxation purposes.

Frequently the question becomes largely one of personalities and if they do not harmonize, many factors, even aggressiveness, may cause difficulty. Management must weigh and consider these factors when it is making plans for foreign trade activity. Each individual case must be decided upon its merits. ●

Ceylon: *Returns from Tea Decline*

The value of tea exports declined Rs.98·6 million in the first eight months of 1956 although shipments rose by 1·5 million pounds over the 1955 figure. Unsettled conditions in the Middle East pose serious problems for Ceylon tea trade.

J. J. HURLEY,
High Commissioner for Canada, Colombo.

TEA IS THE MAINSTAY of Ceylon's trade and any fluctuations in its price are watched with keen interest, both by the Government and the industry itself. Recently, a downward trend in tea prices has caused some concern in official and trade circles.

During the current year, the Ceylon tea market has been rather unsteady, with a marked contrast in prices between the high, medium and low-grown teas. Smallholders who sell tea for manufacture in "bought-leaf" factories have suffered most, because prices for this type of manufactured tea have declined considerably. The unpredictable and constantly changing prices at the tea auctions in Colombo make it difficult to say with any degree of accuracy which of the grades will bring good prices in future. However, the following average prices obtaining at the mid-September tea auctions during 1955 and 1956 may be of interest:

Type	*Average price per pound*	
	1955	*1956*
High-grown	Rs. 2·61	Rs. 2·95
Medium-grown	" 2·27	" 2·04
Low-grown	" 2·75	" 1·72

Trend in Exports

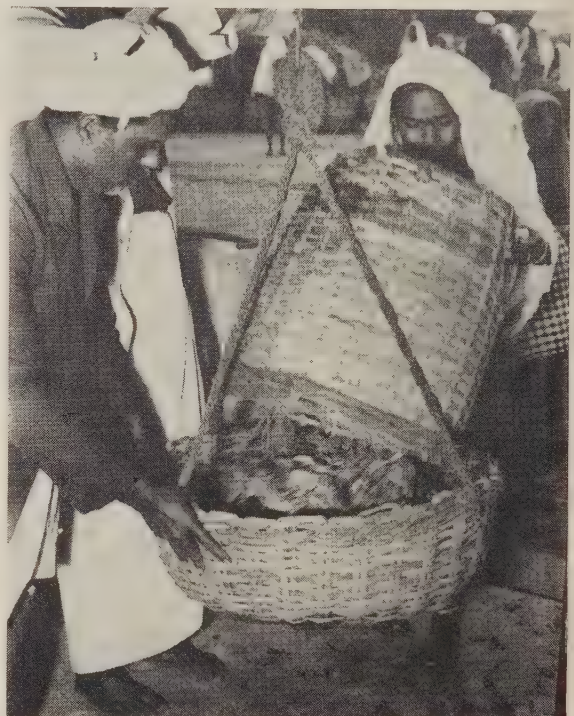
At the tea auctions held on October 9, 1956, there was a strong demand at higher prices for low-grown and other varieties of tea, except for high-grown BOP (broken orange pekoes) for which lower prices were offered because of the poorer qualities auctioned. The situation may be reversed at the next auctions.

Here is a comparative statement of tea exports during the first eight months (January-August) of 1955 and 1956:

1955	*Quantity in pounds*	*Value in Rupees*
Bulk	232,984,080	788,764,044
Packeted	2,689,378	10,460,169
Total	235,673,458	799,224,213
1956		
Bulk	234,474,935	690,880,200
Packeted	2,786,792	9,662,099
Total	237,261,727	700,542,299

(Source: Ceylon customs returns)

These figures show that, despite the fact that the quantity of tea exported in 1956 in the period under review exceeded exports for the same period in 1955 by a little over 1·5 million pounds, the value of tea exports declined as much as Rs.98·6 million.



Green leaf tea, picked on a large tea estate, is being weighed as one step in processing. The tea trade is being seriously affected by the current blockage of the Suez Canal.

The following table shows the principal importers of tea from Ceylon during the first eight months (January-August) of 1955 and 1956:

1955	Quantity (000's lb.)	Value (Rs. '000)
United Kingdom	83,875	271,701
Australia	27,109	100,686
United States	25,094	80,375
Iraq	15,479	56,199
Egypt	15,428	53,232
Union of South Africa	12,470	41,482
Canada	11,939	40,057
New Zealand	8,284	31,238
1956		
United Kingdom	94,995	283,257
United States	25,951	71,886
Australia	21,704	56,548
Union of South Africa	15,447	51,439
Iraq	14,646	44,002
Canada	12,648	42,321
New Zealand	10,134	27,866
Egypt	7,226	21,257

The fall in Ceylon's exports of tea to Australia has resulted partly from a reduction in the total volume of Australian tea imports following the return of import trade to private enterprise, and partly from an increase in Australia's purchases of Indonesian tea.

Egyptian Sales a Problem

With little apparent demand from buyers for the Egyptian trade, the black leaf dust suitable for this market has had poor support at local auctions. According to tea traders, the difficulty Ceylon has experienced with the Egyptian market for some time over exchange arrangements has been aggravated by the Suez crisis. Now that Egyptian exchange has been frozen, buyers here have no credit to buy. Consequently, prices of teas suited to the Egyptian market have dropped steeply in the past few weeks. It is understood that Egypt is considering a direct barter system under which she would exchange rice, sugar, cement, potatoes, onions, and window glass for Ceylon tea. Government authorities may also discuss directly with their Egyptian counterparts ways and means of increasing tea exports to Egypt.

Other Difficulties Face Producers

The Suez Canal is vital to Ceylon's trade; 60 per cent of her exports go through the canal and so do 40 per cent of her imports. An increase in shipping charges or a diversion of shipping to other routes, falling on both exports and imports alike, affect the favourable terms of trade which Ceylon has hitherto enjoyed; exports cost more to ship and the cost of imports increases. This naturally affects the tea trade with the United Kingdom, the United States and Canada, the principal buyers of Ceylon tea in the West.

Other problems harass the industry. The breaking-up of large tea estates in order to distribute allotments to landless villagers and the selling of small plots at high prices is a potential danger. This danger is increased because machinery from fragmented estates is usually lost to the industry in Ceylon either because it is sold as scrap or re-exported to new producing areas in Africa. The Government realizes the dangers of permitting fragmentation and now is enacting legislation to prevent any further disposal of tea estates in this manner.

Export Duty Protested

In an attempt to assist the smallholder, the Low Country Products Association has asked the Government to change the present system of taxing tea exports so that producers of low-grown and low-priced teas will receive relief. At present all teas, irrespective of price, are subject to a flat-rate export duty of 65 cents Ceylon a pound. The LCPA suggests that the tea export duty be levied on an ad valorem basis, so that the cheaper teas will be charged less per pound and the costlier teas more. This, it is pointed out, would be more equitable than the present system, under which a man who produces tea which sells for 60 cents Ceylon a pound at the auction pays the same export duty as a man who produces tea which sells at Rs.5.00 a pound. If the Government were to adopt such a plan, it would undoubtedly help the smallholder considerably and might make more profitable the production of tea on small acreages in low-growing areas.

Future Markets

Although the United Kingdom will undoubtedly remain the largest importer of Ceylon teas, there may be an increased demand for quality teas from the United States and Canada, where the tea-drinking habit is apparently making steady progress thanks to the activities of Tea Councils established there partly with the help of the Ceylon tea industry.

Although sales of tea to the Middle East have deteriorated during the past few months, there are indications that this situation may soon improve.

Tour of Territory

W. D. WALLACE, Commercial Secretary in Djakarta, Indonesia, plans to visit Pakanbaru, Medan and Palembang in Sumatra between January 14 and 23, 1957.

India: *Tea Crop Creates Problem*

The tea industry is expected to receive more attention in India's Second Five Year Plan; more efficient production, replanting, and other measures needed to maintain competitive position in world tea trade. Planters and Government taking steps to avoid sudden drop in tea prices because of unusually good north Indian crop this year.

WM. JONES, *Commercial Secretary, New Delhi.*

THE UNUSUALLY GOOD TEA CROP in north India this season posed some problems for the tea growers. Up to the end of September the north Indian crop had risen an estimated 25 million pounds over the yield last year and threatened to exceed the large 1954-55 crop. Remembering that the '54-'55 crop had led to a rapid fall in tea prices in many parts of the world, producers decided to take immediate steps to curtail output and thus to prevent any repetition of this break in prices. They recommended action along the following lines:

- That all plucking in Assam stop by November 20th.
- That any other gardens that had reached their average for the last three crop years by November 20th should also cease production.
- That all other gardens that had not reached this average by November 30th should stop plucking in any case.

The growers also recommended that all waste and residual teas which were not taken up at the Calcutta auctions should be destroyed, for fear that these inferior grades might find their way into good quality teas and lower the reputation of the Indian product.

In south India, although the crop had not reached the unusually high figure of last year, planters stopped plucking inferior quality leaf earlier in the season and have concentrated on the high-quality teas which sell readily abroad.

Government action has also helped to keep prices from falling. In mid-October the Government announced that it would maintain the existing export duty of six annas a pound throughout November even though world prices warranted the raising of the duty. Normally, the duty operates on a "slab" system according to the government announcement of the prevailing export price. If the Government had not given this assurance, foreign buyers would have been tempted to cover their November commitments before the rate of duty moved into its next "slab", which is 10 annas a pound. Heavy buying in October might have broken prices in the tea trade.

Study Ways to Improve Industry

Tea is vital to India's economy because it earns large amounts of foreign exchange—Rs.1,090 million in the 1955-56 fiscal year. The United Kingdom is the most important market. There are, however, several problems that must be solved if India is to maintain its dominant position in the world tea trade. To this end the Government has initiated studies designed to improve conditions in the industry.

A Plantations Inquiry Commission thoroughly investigated the capital aspects of the industry recently and published its findings about two months ago. It emphasized that the industry should aim to reduce the domestic price of tea in order to build up a prosperous market in India. Except for certain parts of north India, tea is not a popular beverage, and as long as the price remains at an average of Rs.3·4·0 a pound the poorer classes cannot afford it, and all publicity campaigns to increase consumption are bound to fail. The Indian consumer is the main market for low-grade teas.

The Commission suggested the establishment of a replanting fund and the passing of a law to compel plantations to set aside reserves for this purpose. Indeed this is a problem of survival, with an estimated 30 per cent of the tea bushes in North India more than 55 years old; the economic life of a bush is considered to be about 60 years.

A World Bank Mission has pointed out the need for improving the competitive position of the Indian tea industry and this report has been welcomed in tea circles. Among the difficulties the Mission singles out are inadequate transport facilities, persistent pressure from labour for more wages and amenities, and

restrictions on planting. The figures it quotes for production and expenditure in tea gardens are rather alarming: output per worker per acre in the West Bengal gardens declined 20 per cent from 1939 to 1955 and the cost of production increased about 40 per cent during the same period.

The tea industry is expected to play a prominent role in the agricultural program of the Second Five Year Plan. The Plan calls for tea exports of 470 million pounds a year by 1960-61; earnings from tea exports during the five-year period 1956-61 are expected to reach Rs.6,350 million.

Indonesia: *Recovery of Tea Trade Slow*

Once a major contributor to the world's tea trade, Indonesia has experienced great difficulty in reviving tea production because of wartime neglect and postwar difficulties. Output is still barely more than half what it was before the war.

W. D. WALLACE, *Commercial Secretary, Djakarta.*

INDONESIA has not regained its prewar position as a large producer and exporter of tea, and is not likely to do so in the foreseeable future. Fewer than half of some 300 estates producing before the war are growing tea at present and the area under cultivation is about 50,000 acres less. Indonesia is supplying, on an average, about 7 per cent of the world's total tea exports; before the war she accounted for 20 per cent.

Estate Production Improving Slowly

Indonesian tea is cultivated by estate growers in Java and Sumatra and there is some production by smallholders, who usually sell their crop to estates with tea-processing factories. Smallholder production is gradually declining, while production on estates is improving with the scientific use of fertilizers. Since the war the industry has averaged barely more than 50 per cent of the prewar output. This situation results from a combination of factors including losses from insects and plant diseases, partial uprooting of tea bushes, labour difficulties, insecurity, and steadily increasing production costs. In many instances estate operators have sold or given up many of their plantations and smallholders have turned to other crops.

The following table shows the production of tea in Indonesia from 1948 to 1955, including the first six months of 1956, compared with 1939.

TEA PRODUCTION

(metric tons)

1939	83,159	1952	37,277
1948	12,930	1953	36,778
1949	27,269	1954	46,900
1950	35,384	1955	43,368
1951	46,279	1956*	23,700

* January-July 1956.

Tea picking going forward on an Indonesian tea estate. Production on big estates is going up with greater use of fertilizers since the war; output by smallholders is gradually declining.

Currently about 79 per cent of Indonesia's tea goes overseas to a great number of markets, compared with 88 per cent exported before the war; it makes up 5 per cent of total exports by value compared with 8 per cent prewar.

Exports are divided into two categories—broken grades with leaf teas, and tea fannings with dust. The combined exports for the years 1952 to 1955 have averaged 32,650 metric tons a year. Broken grades with leaf tea are by far the most important category, accounting for 77 per cent of total tea exports. About 84 per cent of this tea goes to the Netherlands, the United States, the United Kingdom, Singapore, and Australia.

The following table shows the export of broken grades and leaf teas in metric tons from 1952 through 1955 and the first seven months of 1956.

Country	*1952*	*1953*	*1954*	*1955*	*(Jan.-July) 1956*
Netherlands	11,985	11,492	12,212	10,410	7,087
United Kingdom	3,304	2,208	2,891	3,281	2,521
Singapore	337	886	6,225	2,424	533
United States	1,979	2,317	2,898	1,190	1,138
Australia	1,986	945	1,237	1,590	3,235
Port Sudan	1,617	63	1,110	752	....
Germany	173	359	589	534	528
Others	2,752	2,887	4,253	2,239	877
Total	24,173	21,149	31,415	23,140	15,919

According to Indonesian tea exporters, sales from January to July 1956 indicate that Indonesia is gradually regaining its normal prewar markets. The large increase in exports to Australia is of particular significance, because this country formerly purchased an average of 15,900 tons of tea a year.

Exports of tea fannings with dust, which account for 23 per cent of the total, are shipped principally to the Netherlands, Singapore, the United Kingdom, the United States and Egypt.

Tea Trade with Canada

Indonesia has had a small market in Canada for many years; the broken grades with leaf teas are used for blending and the tea fannings with dust for tea bags. In the years before the war with Japan—except for 1940 and 1941, when tea shipments to Canada rose to between 650 and 850 metric tons a year—exports averaged about 50 metric tons a year. Shipments since the war have fluctuated widely, as the following statistics show.

(in metric tons)

	1952	*1953*	*1954*	*1955*	*7 mos. 1956*
Broken grades with leaf teas	81	174	34	4	14
Tea fannings with dust	15	nil	11	9	nil

Lower prices for certain grades of Indonesian tea accounted for the larger shipments in some years following the war. ●

Spain Achieves Agricultural Progress

SPAIN HAS AN ESSENTIALLY RURAL ECONOMY and she must look to exports of farm products to earn foreign exchange; the rate of imports for her growing industries depends directly on the productivity of her farms.

State support of agriculture has enabled Spain to achieve satisfactory progress over the past 20 years. Thousands of acres of once barren dry lands and marshes have been brought into production, irrigation is used widely, and soil erosion control measures are showing good results. The Government's agricultural policy aims to maintain or expand production of traditional crops and introduce important new commercial crops such as cotton, flax, hops, and tobacco.

Key to farm improvement is the National Farm Credit Service which extends loans for the purchase of machinery and finances other projects to modernize the farms. The Government first extended credit in 1925 in a small way, but it was not until recently that mechanization drew a great deal of attention. Up to 1954, the central credit agency granted 270 loans for the purchase of machinery valued at 54·3 million pesetas; in 1955 it approved 705 loans totalling 97·7 million pesetas for farm mechanization. In 1951 loans outstanding totalled 126·4 million pesetas but this figure rose to 1,358 million in 1955—a good indication of the growing importance of this credit service to the farmer.

Wheat production is a matter of government farm policy to assure that output will cover national needs. The National Wheat Service, a multi-purpose organization, regulates acreages sown to the crop, establishes prices paid to the farmer, makes loans for wheat production, and supplies seed wheat and fertilizer.

Land settlement, mainly in newly irrigated areas, is another aspect of Spain's agricultural policy. The National Institute of Colonization has helped establish 33,000 settlers on 313 thousand hectares of land, brought into being 112 new villages, and is currently constructing 46 more. To aid farmers to undertake new irrigation works or improvements and put up farm buildings, the Institute administers a special loan fund which now totals more than 1,515 million pesetas. The colonization project encourages mechanization by making available to farmers a pool of tractors and a large assortment of specialized equipment.

—M. T. STEWART,
Commercial Counsellor, Madrid.

General notes

Australia

INVESTMENTS INCREASE—The Parliamentary Secretary for Trade has announced that overseas holdings in Australian companies during the year 1954-1955 increased by £40·4 million. Of this increase the United Kingdom accounted for £26 million, the United States £9·9 million, and New Zealand £2·1 million. The total reached £274 million. This figure (which includes holdings by Australian nominees of overseas investors and by overseas investors using Australian addresses) compares with £233·6 million in 1954 and £123·9 million in 1947—Sydney, Dec. 2.

Cuba

MICROWAVE RADIOPHONE—The American Telephone and Telegraph Company will soon begin construction in Florida City, U.S.A., of installations to beam radiophone waves 180 miles to Guanabo Beach near Havana, Cuba. The system should be in operation by the end of 1957. Two radio channels will allow 36 telephone circuits between Cuba and Florida, thus supplementing the submarine circuits now in use. Sixty-foot antennae will be used—Havana, Dec. 3.

Denmark

SALES PROMOTION IN BRITAIN—A Danish Week is being organized for the first time in a British town under the auspices of the Danish Agricultural Producers Information Service in London. The "research town" is Brighton, where there are good sales possibilities for high-quality Danish agricultural products. The Information Office is co-operating with the local commercial organizations and all Brighton grocers will exhibit Danish agricultural products. The public will vote for the best display. Appropriate street decorations will also be employed—Copenhagen, Dec. 3.

Federation of Rhodesia and Nyasaland

COFFEE DRYING—Artificial drying of coffee is one of the investigations successfully carried out by the East Africa Research Organization during the past two years, according to a report just published. The same process may also be applied to pyrethrum, grain and sisal. When sun drying is not possible because of weather conditions, the loss in value of a Kenya crop has been estimated at $250 thousand a year. The Research Organization has been authorized to give priority to further investigation of the drying process—Salisbury, Nov. 30.

STEEL INDUSTRY DENATIONALIZED—It has been announced that agreement in principle has been reached between the Southern Rhodesia Government and leading British steel interests to denationalize the Rhodesian iron and steel industry.

Southern Rhodesia's only steel mill was established several years ago with public funds but for some time the Government has been anxious to turn it over to private enterprise. The sales agreement stipulates that extensive development will be started at once and in four or five years production may reach 150 thousand tons of finished steel annually, with 500 to 600 tons of pig iron per week for sale. Some 15 million tons of proved iron ore and a possible further 15 million tons are in the hills near the mill. There is also a 15-million-ton lime deposit. At Bukwa, 150 miles distant, lies one of the world's richest deposits of top-grade iron ore still undeveloped and estimated at 80 to 160 million tons of ore—Salisbury, Dec. 4.

Italy

TRADE DEFICIT INCREASES—The Italian balance of trade during the first eight months of 1956 showed a deficit of 434,022 billion lire, an increase of 52,827 billion lire over the same period in 1955. Imports from all sources during the first eight months of 1956 totalled 1,285,362 billion lire, compared with 1,119,251 billion lire in the same period of 1955. Exports in the first eight months of 1956 totalled 851,340 billion lire compared with 738,056 billion in the same period of 1955—Rome, Dec. 5.

INDUSTRIAL PRODUCTION RISES—Italian industrial production in the first half of 1956, compared with the same period in 1955, increased an average

of 7·3 per cent. The extractive industries showed the greatest increase, 28·6 per cent; manufacturing industries increased 6·4 per cent and electrical industries 5·3 per cent—Rome, Dec. 5.

Japan

ELECTRIC POWER—Japan's nine regional power companies generated a total of 31,227 million kwh. during the period April to September 1956. Hydro power generated reached 24,626 million kwh., an increase of 13·4 per cent, thanks to good water supplies—Tokyo, Nov. 30.

Norway

EARNINGS OF MERCHANT FLEET—The net foreign currency income of the Norwegian merchant fleet is expected to total about Norwegian kroner 3,000 million in 1956. After making allowances for exports and imports of ships, Norwegian shipowners will be placing at the country's disposal foreign currency to the amount of about Norwegian kroner 2,000 million—Oslo, Nov. 29.

United States

FUR MANUFACTURING—The number of wholesale fur manufacturing firms in New York City has dwindled from 2,115 in 1949 to 1,681 in 1956 and the number of persons employed is now down to 8,000 from 12,000 in 1946. Manufacturers specializing in mink comprise more than 50 per cent of the industry and although it is still the leading group, it is gradually getting smaller. The Persian lamb group is the second, the muskrat group third and the squirrel group fourth but they are all decreasing. The Alaska seal, mouton and otter groups showed small gains—New York City, Nov. 27.

trade and tariff regulations

Norway

FURTHER DOLLAR IMPORTS LIBERALIZED—Effective November 1, the Norwegian authorities enlarged the list of products which may be imported from Canada and from other dollar countries free from quantitative restrictions. Moreover, all products on the import free list, including those liberalized earlier (see *Foreign Trade* of August 18, 1956), may now enter Norway on the basis of import and foreign exchange declarations; formal import licences are no longer necessary for these products.

The new measure, which was taken only four months after Norway's original dollar import liberalization, affects a relatively small number of products, including the following which may be of interest to Canadian exporters:

Dried apricots and blueberries
Paraffin wax
Vegetable and animal wax
Baking powder
Butyl acetate
Butanol
Dioctyl phthalate and dibutyl phthalate
Sanitary towels
Labels and commercial advertisements of thin metal sheets
Parts of combustion engines except cylinder blocks
Dyeing mills (colour-grinding machines)
Soap-moulding presses and soap-cutting machines
Machines for the production of glass and glassware
Parts for certain machines for automobile workshops, for the woodworking and leatherworking industries, and for the production of tobacco, chocolate and fruit juices
Heating elements for electric stoves and heating apparatus
Bicycle frames

Information concerning particular commodities on the Norwegian list of liberalized dollar imports may be obtained from the International Trade Relations Branch of the Department.

South Africa

IMPORT CONTROL POLICY—The Minister of Economic Affairs in an official statement recently gave further details about South Africa's import control policy for 1957. This was later supplemented

by government notices published in the official *Gazette.*

These sources establish the official position on import restrictions for 1957 as follows: (For a preliminary notice, see *Foreign Trade* of November 24, 1956.)

1. Full requirements of industry for machinery and raw materials will continue.
2. The quantity of building materials admissible has been increased.
3. The quota for small vehicles retailing at the coast at not exceeding £700 per unit has been increased by 50 per cent.
4. The 1957 permits provide for the *import* of goods for a period of 15 months from January 1, 1957. In other years, permits have been based on shipment from January 1 of the quota year.
5. For consumer goods, the official allocation of 33⅓ per cent has been made, with supplementary allocation to follow during the second quarter of 1957. Total quota will probably not be increased beyond the 53⅓ per cent for the full years 1955 and 1956. Provision is made *ad hoc* for upward adjustment in the case of new businesses and of importers in business in growing areas.

   New items admissible against consumer goods quota as a result of curtailment in the restricted list include:

Baking powder; biscuits, cakes, puddings and pastries; butter and butter substitutes; margarine; vegetable fats, etc.; casein; coffee, roasted, ground or mixed, coffee substitutes; chicory, dried or prepared; barley, buckwheat, kaffir corn and millet—raw, malted, ground or otherwise prepared; oats in the grain, rolled, or otherwise prepared; rye, raw, ground or prepared; cream of tartar and substitutes; eggs; concentrated soup; ethyl acetate; fish specialties, including potted or tinned pastes, caviar, lax and lobster; gelatine; rice starch; jams, jellies and honey; pudding, cake and jelly powders; lard and edible meat fats; macaroni, spaghetti and vermicelli; soups, excluding extracts and essences; cooked and plain cured bacons and hams; meats, fresh, frozen, salted or cured; meat pastes; onions and garlic; peas, beans and lentils; groundnuts; pickles, sauces, chutneys and condiments (excluding mustard powder); table potatoes; bird seed; starch; golden syrup, maple syrup, molasses, glucose and treacle; vinegar; fruit juices, cordials and syrups; perfumery and perfume spirit; aerated and table waters; cigars, cigarettes, snuff, tobacco, manufactured and unmanufactured; trunks, attaché cases, hat-boxes and suitcases; rubber floor mats; mats and mattings of vegetable fibre; felt base and floor coverings; men's, women's and children's clothing generally; furs, including fur skins; millinery; haberdashery; silk stockings and scarves; crown corks; metal bedsteads; ice chests; tin foil; a wide variety of motor accessories; household stoves and boilers; electric percolators and waffle irons; wheelbarrows; toilet fixtures; candles; vegetable, animal and fish oils (except linseed oil); polishes and dressings; stearic and fatty acids; toiletries and cosmetics; rubber air and water hose, garden hose; leather manufactures (except watch straps); leather sundries; paper and transparent cellulose bags; cardboard boxes, jars, cups and cartons; playing cards (not exceeding 2/6d. per pack); paintings, pictures and calendar mounts; carnival goods; envelopes; ladies' handbags; tobacconists' wares; fireworks; cinematograph projectors; matches; opera glasses; Christmas tree decorations; soda fountains.

6. Additions to the priorities list for consumer goods (in which quota has double value) include salt herring and kippers, outboard motors, power-driven lawn mowers, harmonicas and smokers' pipes.

—K. F. NOBLE,
Trade Commissioner, Johannesburg.

Trinidad

LICENSING ANNOUNCEMENT—The Controller of Imports and Exports, Trinidad, advised importers on November 27th that no further licences will be issued for the import of goods in 1956 except in special circumstances.

All goods subject to import quotas which arrive in the Colony after December 31, 1956, or which are paid for after that date, will count against quotas for 1957, notwithstanding the fact that such goods may have been ordered against 1956 quotas. Importers are advised to reserve a sufficient portion of their 1957 quotas to cover expected arrivals in 1957 against 1956 licences.

In order to ensure continuity of supplies, steps are being taken to issue import quotas for 1957 at an early date.

These directions also apply to quotas granted for the import of luxury items for the tourist trade.

With respect to allocations under the Token Import Scheme, the issue of licences against 1956 quota will be continued up to December 31, 1956, but these licences will be valid for *arrival* of goods in the Colony not later than March 31, 1957.

United States

PRESIDENT REJECTS TARIFF INCREASE ON FISH FILLETS—On October 12th the United States Tariff Commission, as a result of an investigation under the "escape clause", unanimously recommended to the President a 50 per cent increase in the United States tariff on groundfish fillets. Under United States legislation, the President is required to take action on a Tariff Commission recommendation within 60 days or explain to Congress why no action was taken.

On December 10th, two days before the deadline, the President decided against a tariff increase and rejected the Tariff Commission's recommendation. The tariff remains, therefore, undisturbed at 1⅞ cents a pound on a quota amount and 2½ cents a pound ex quota.

Head Office Directory

Department of Trade and Commerce

No. 1 Building, 375 Wellington Street*	Gov. Local
Minister: The Rt. Hon. C. D. Howe, P.C., M.P.	2-0336
Private Secretary: A. J. Stanton	2-0336
Deputy Minister: Wm. Frederick Bull	6-6748, 2-2326
Executive Assistant: A. W. A. Lane	2-2380
Trade Policy Adviser: H. R. Kemp	2-5151
Technical Adviser: G. D. Mallory	2-3819
Associate Deputy Minister: M. W. Sharp	2-2888, 2-5838
Economic Adviser: O. J. Firestone	2-4176
Assistant Deputy Minister: Oliver Master	2-2421

Administration Branch

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Administrative Assistant: Miss M. L. E. Jones	6-7411
Financial Assistant: S. B. Kayes	2-4312
Personnel Division	
Personnel Officer: L. J. Rodger	2-5430
General Records	
Supervisor: C. Drolet	2-4980
Equipment and Supplies	
Supervisor: E. S. Brown	2-5011

Economics Branch

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Associate Director: Dr. J. Davis	6-7372

Trade Commissioner Service

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Assistant Director (Planning)	6-8286
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Asia and Middle East: Paul Sykes	6-8286
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Europe: L. A. Campeau	2-0436
Latin America: S. G. Tregaskes	6-7641
United States: D. M. Holton	2-5176
Assistant Director (Administration): J. H. Stone	2-5669
Western Representative: P. V. McLane, 355 Burrard Street, Vancouver, B.C. (Cable address: FORTRADE)	Pacific 7161
Newfoundland Representative: Stott Bldg., St. John's, Newfoundland	2698

Commodities Branch

Director: Denis Harvey	2-5417
Assistant Director: G. S. Hall	6-7163
Assistant Director (Export Promotion): R. V. N. Gordon	6-6519

* *Unless otherwise noted all offices of the Department are in No. 1 Building.*

Commodities Branch

Transportation and Trade Services Division

	Gov. Local
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Adviser: T. G. Hills	2-5680
Export and Import Permit Section	
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Processing Officers:	
Steel, non-ferrous metals, machinery, automobiles, chemicals, textiles, rubber, leather products: S. C. Cooke	6-6976
Lumber, forest products: L. M. Lang	6-6991
Imports and Office Supervisor: L. M. Lang	6-6991
Directories Section: R. Bedard	6-6681
B.W.I. Trade Liberalization Plan Section: G. L. Tighe	6-6905, 2-5670
U.K. Token Import Plan Section: A. E. Fortington	2-5680
Transportation and Communications Section: H. A. Hadskis	2-2737
Traffic: D. H. Munro	6-7835

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Assistant Chief: J. M. Rochon	6-8422
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Non-Metallic Minerals	2-5823
Industrial Machinery: J. R. Johnson	6-7546
Electronic Equipment: D. L. Draper	6-6479
Transportation Equipment, Construction Machinery: G. W. Rahm	2-5159
Agricultural and Automotive Equipment, Aircraft: G. C. Clarke	2-3873
Miscellaneous Machinery: R. P. Mulvihill	6-8269

Forest Products Division

Chief: J. C. Dunn	2-0273
Lumber and Manufactured Wood Products: J. C. Dunn	2-0273
Logs and Lumber Products: E. J. White	2-4863
Pulp, Paper, Pulpwood: M. N. Murphy	6-6974
E. J. Ward	2-5127

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Petroleum, Organic Chemicals: T. V. Harquail	6-6075
Plastics, Heavy Chemicals: G. E. McCormack	6-7601

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Assistant Chief: A. C. Fairweather	6-7815
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Wearing Apparel, Linens: E. G. Gerridzen	2-5378
R. M. Josephson	6-8679
Leather, Rubber and Plastic Products: F. T. Carten	2-0518
R. G. Woolham	2-0518
Recreational Supplies, Musical Instruments, Toys: P. G. Jones	2-4160
P. Mondor	6-7956
Handicrafts, Chinaware, Jewellery, Photographic Equipment: P. E. Jensen	2-5337
Business Equipment, Radio and Television, Scientific Instruments, Hospital Equipment: W. L. Herman	6-6958
Hardware, Plumbing and Heating Equipment: D. C. Meyers	6-6383
Consumer Durable Goods, Electrical Appliances: W. H. Grant	2-3209
Beverages, Imported Foods: E. B. Paget	2-4161
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Assistant Dominion Statistician: J. T. Marshall	6-7695
Assistant Dominion Statistician: S. A. Goldberg	2-5458
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Assistant Administrator: R. W. Rosenthal	6-8429
Capital Projects	
Chief: F. E. Pratt	2-0981
Technical Co-operation Service	
Chief: D. W. Bartlett	2-5542
Assistant Chief: J. T. Hobart	6-8662

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Superintendent of Exhibits: R. L. Greene	2-3776
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Assistant Chief, Design Section: G. E. Stranks	2-3682
Administrative Officer: A. D. Simmons	6-7818
Deputy Director Canadian Participation Brussels 1958: H. B. Scully	6-6795

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Assistant General Manager: A. W. Thomas	CE2-4828
Secretary: T. Chase-Casgrain	CE2-4828
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Underwriter: S. Garrett	CE2-4828
Credits Supervisor: C. A. Law	CE2-4828
Claims Supervisor: F. G. Reynolds	CE2-4828
Accountant: B. R. King	CE2-4828
Montreal Branch 607 St. James St. West	UN6-1268
Toronto Branch Rm. 1511, 55 York St.	EM4-5778

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1·039298.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent Dec. 6	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Official	05345	18·71	(1)
		Free	·02761	36·22	
Austria	Schilling		·03701	27·02	
Australia	Pound		2·1430	·4666	
Belgium, Belgian Empire and Luxembourg	Franc		·01924	51·98	
Bolivia	Boliviano	Official	·005064	197·47	
British West Indies	Dollar		·5581	1·79	(2)
	Pound		2·67875	·3733	(3)
	Dollar	British Honduras	·66969	1·49	
Brazil	Cruzeiro	Effective selling*			
		*Category I	·0181	55·20	*Nov. 14
		Category II	·0105	95·57	
		Category III	·0067	148·67	
		Official buying	·0525	19·04	(5)
Burma	Kyat		·2021	4·95	
Ceylon	Rupee		·2009	4·98	
Chile	Peso	Free	·001913	522·74	(15)
Colombia	Peso	Basic	·3849	2·60	(7)
		Free*	·1543	6·48	*Dec. 5
Costa Rica	Colon	Official	·1714	5·83	
		Controlled free	·1449	6·90	
Cuba	Peso		·9621875	1·0392	tax 2% (4)
Czechoslovakia	Koruna		·1336	7·49	
Denmark	Krone		·1393	7·18	
Dominican Republic	Peso		·9621875	1·0392	
Ecuador	Sucre	Official	·06415	15·59	
		Free	·05198	19·24	
Egypt	Pound	Official	2·7630	·3619	(6)
El Salvador	Colon		·3849	2·60	
Fiji	Pound		2·4133	·4144	
Finland	Markka		·004183	239·06	
France, Monaco and North Africa	Franc		·002749	363·76	(8)
French Colonies in Africa	Franc		·005498	181·88	(9)
French Pacific	Franc		·01512	66·14	(10)
Germany	D Mark		·2293	4·36	
Greece	Drachma		·03207	31·2	
Guatemala	Quetzal		·9621875	1·0392	
Haiti	Gourde		·1924	5·20	
Honduras	Lempira		·4811	2·08	
Hong Kong	Dollar	Free*	·1486	6·73	*Nov. 23
		Official	·1674	5·97	
Iceland	Krona	Official	·05908	16·93	
		Special selling	·0345	28·98	(11)
India	Rupee		·2009	4·98	
Indonesia	Rupiah	Basic	·08473	11·80	(12)
Iran	Rial	Certificate	·0127	78·73	
Iraq	Dinar		2·6941	·3711	
Ireland	Pound		2·6788	·3733	
Israel	Pound		·5345	1·87	
Italy	Lira		·001545	647·24	
Japan	Yen		·002673	374·11	

* Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent Dec. 6	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	·2993	3·34	
Mexico	Peso		·07698	12·99	
Netherlands	Florin		·2512	3·98	
Netherlands Antilles	Florin		·5062	1·98	
New Zealand	Pound		2·6788	·3733	
Nicaragua	Cordoba	Effective buying	·1458	6·86	
		Official selling	·1364	7·33	
Norway	Krone		·1347	6·23	
Pakistan	Rupee		·2009	4·98	
Panama	Balboa		·9621875	1·0392	
Paraguay	Guarani	Official	·01604	62·34	(6) (13)
Peru	Sol	Certificate	·05064	19·75	
Philippines	Peso		·4811	2·08	
Portugal & Colonies	Escudo		·03358	29·78	(14)
Singapore & Malaya	Straits dollar		·3125	3·20	
Spain & Dependencies	Peseta	Basic buying	·04394	22·76	(6)
		Basic commercial selling	·0586	17·07	
		Free	·02470	40·47	
Sweden	Krona		·1860	5·38	
Switzerland	Franc		·2246	4·45	
Syria	Pound	Free*	·2717	3·68	*Nov. 15
Thailand	Baht	Free	·04702	21·27	(6)
Turkey	Lira		·3436	2·91	
Union of South Africa	Pound		2·67875	·3733	
United Kingdom	Pound		2·67875	·3733	
United States	Dollar		·9621875	1·039298	
Uruguay	Peso	Free*	·2437	4·10	
		Basic buying	·6366	1·579	(6)
		Principal selling	·4587	2·18	(16)
Venezuela	Bolivar		·2872	3·48	
Yugoslavia	Dinar		·003207	311·82	(6)

* Latest available quotation date.

notes

1. Argentina: additional rates result from exchange retentions on export proceeds and surcharges on imports.
2. Barbados, Trinidad, Tobago, Leeward and Windward Islands, British Guiana.
3. Bahamas, Bermuda, Jamaica.
4. Tax of 10 per cent affects selling (import) rates only. Tax is based on official rate, and is therefore 1.88 cruzeiros per U.S. dollar.
5. Brazil: currency certificates auctioned for five import categories. Effective selling rate is official rate of 18.82 to U.S. dollar plus price of certificate. Exporters receive cruzeiros at official rate plus exchange premiums ranging from 18.70 to 48.64 cruzeiros per U.S. dollar, depending on product. Three rates shown cover bulk of transactions for auction.
6. Additional rates are in effect.
7. Colombia: stamp taxes of 3, 10, 30, 80 and 100 per cent on imports depending on essentiality. The free rate applies to minor exports and less essential imports.
8. Includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
9. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
10. New Caledonia, New Hebrides, Oceania.
11. Iceland: special selling rate applies to certain designated commodities.
12. Indonesia: basic rate applies to most exports and a few essential imports. Purchase of exchange for other imports is subject to surcharges of 50, 100, 200 and 400 per cent depending on products.
13. Official rate applies to exports and essential imports. For non-essential imports there is a surcharge of 25 Guaranis per U.S. dollar.
14. Portugal: approximately same rate for Portuguese Territories in Africa.
15. Chile: free rate applies to exports and to imports, except prohibited imports. Chilean importers must deposit local currency in amounts ranging from 5 to 200 per cent, depending on product, prior to shipment of goods.
16. Certain essential imports are subject to a fixed rate of 2.10 pesos per U.S. dollar, and no longer require import permits. Other imports are subject to the free rate, and are under quota. Exports are subject to a variety of rates according to the product. Exports will be divided into eleven categories for exchange rate purposes. Depending on the product, the export rates which will apply range from 100 per cent of the free rate to 100 per cent of the basic export rate of 1.519 pesos per U.S. dollar.

businessman's bookshelf

Meet Indonesia 1956

The Mercantile Bank of Canada. 16 pages. Free.

THE REPUBLIC OF INDONESIA today has a population of 81 million. Its economy is primarily agricultural; farm and plantation products account for more than two-thirds of its exports and three-quarters of the labour force is engaged in this industry. The main export is rubber followed, in the agricultural field, by copra, tobacco, palm oil, coffee, spices, fibres and other vegetable products.

This well-written booklet reveals other interesting facts. For example, Indonesia is second only to Malaya in the production of tin-in-ore, producing 20 per cent of the world's supply. With only a fraction of world oil production, the Republic is nevertheless by far the largest producer and exporter of oil in the Far East. This industry provides employment for many thousands of Indonesians and constitutes one of the largest sources of income for the treasury.

The booklet also gives details about the Economic Development Plan for 1956-1960, recently announced by the National Planning Bureau. This gives priority to a list of special projects such as power and irrigation; a complex of industries based on hydro-electric power, forests and minerals; an iron and steel industry; chemical and fertilizer manufacturing, and a rayon industry. Of second priority are a number of projects concerned with major developments in the manufacture of cement and textiles.

Exporters or importers who have trade ties with Indonesia will find this latest in the Mercantile Bank series worth their attention.

Order from: The Mercantile Bank of Canada, 495 Victoria Square, Montreal; 210 Bay Street, Toronto, and 540 Burrard Street, Vancouver.

Directory of Exporters of Indian Produce and Manufactures

Department of Commercial Intelligence and Statistics, Calcutta. 212 pages. 12 shillings.

SECTION I OF THIS DIRECTORY gives in alphabetical order the names and addresses of exporters and indicates the commodities in which they are interested. Section II contains the list of goods which are exported or available for export from India and the names of exporters interested in each commodity. Commodities are listed alphabetically under certain groups as indicated on the contents page.

The names and addresses of Indian Trade Representatives abroad are also included in the directory, which should interest particularly Canadian firms dealing in imports from India.

Order from: The Director General, Commercial Intelligence and Statistics, 1 Council House Street, Calcutta, India.

Hong Kong—1955

Colonial Office. 264 pages. $2.36 postpaid.

HONG KONG'S SWING from entrepôt trade to industry has changed profoundly the pattern of its economy. Before World War II, manufacturing was only of minor importance; now it is the main source of livelihood and is expanding rapidly. Hong Kong's light industries are turning out an amazing variety of products, the most important of which are textiles, with an export value of £27·6 million in 1955 and rubber footwear with shipments valued at £3·8 million. Other leading exports include enamelware (£3·5 million), seamless aluminum flashlights (£3·1 million), and refined sugar (£2·0 million). During the year the number of factories in the Colony rose from 2,494 to 2,925 and this development increases its potential as a market for industrial raw materials.

The report discusses in some detail progress of the Colony's development projects and its plans for the future. Of special interest to the businessman is the comprehensive study of industry and trade and the section outlining the public utilities and public works projects proposed or under way. Hong Kong has emerged as a potent economic force in the East and her products are finding ready markets in other parts of the world. Canadian firms with trading interests in Asia will find this survey valuable.

Order from: The United Kingdom Information Office, 275 Albert Street, Ottawa, Ontario.

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